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NEWS SUMMARY

GENERAL

Union rejects 5p cards

The Union of Post Office Workers has opposed plans by the Post Office Board for a limited 5p discriminatory rate for Christmas card deliveries this year.

The Post Office said it was disappointed by the union decision but did not say whether it would regard it as an effective veto on introduction of the scheme. The union's annual conference also voted against resumed Sunday collections. Back Page

Smith to quit

Mr. Ian Smith says he will resign from active politics at the next Rhodesian election, due to be held by the end of the year. Page 2

Neutron ban plea

Andrei Gromyko, Soviet Foreign Minister, yesterday called for a total ban on the neutron bomb. He told the UN special session on disarmament: "Neutron weapons must be banned once and for all." Russia did not intend to produce them unless America or some other nation did. Page 2

USAF refusal

The proposal by the U.S. Air Force to base 15 giant tanker aircraft at RAF Greenham Common, Berks, has been called off. Mr. Fred Mulley, Defence Secretary, rejected the scheme because of the risk of the aircraft over-flying the Aldermaston Atomic Energy Establishment. Page 3

Tanker inquiry

Mr. James Prior, Tory MP for Lowestoft, intends to continue to press for an inquiry into the handling of the Eleni V oil spill. He says he is not being "too critical" of the Department of Trade, but wants it to learn lessons for the future. Page 3

Race report

About a third of all babies born in Bradford by 1986 will be coloured, according to a city council report published yesterday. The Tory-controlled council said that the "most distressing trend" now was that 50 per cent of coloured school-leavers had no jobs to go to.

Bomb claim

Nairobi security authorities are certain that a bomb was planted at Entebbe airport in the Piper Aztec which blew up, killing Mr. Bruce McKenzie, former Kenyan agriculture minister. Page 2

Fraud trial

Five men were convicted at the Old Bailey yesterday of an international bank drafts fraud which the prosecution said could have undermined the Western banking system. They will be sentenced on Wednesday. Page 3

Briefly...

Fleet Street's El Vino wine bar will continue to refuse to serve women at the bar. A Westminster County Court judge said that the bar's insistence that women sat in the back bar showed "chivalry and courtesy."

Leaning Tower of Pisa was occupied yesterday by 200 unemployed people demanding jobs. Fifteen people died and 23 were injured when a bus and train collided near Balikesir, Turkey.

Baader-Meinhof suspect Marion Brigitte Folker was arrested in Frankfurt.

Ladbrokes' General Election odds last night were: An election anytime in October—33; Oct. 5, 4-1; Oct. 12, 5-2; Oct. 13, 6-1; and Oct. 26, 8-1.

Michelle Booth, who was found unconscious beside the London Reading railway line two months ago, went home last night.

Liverpool's Roman Catholic Archbishop called yesterday for a change in civil law after a woman went ahead with an abortion against her husband's wishes.

The six-year-old boy involved in the killing of Mrs. Kate Willis, the killing of Mrs. Kate Willis, has been taken into local authority care.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

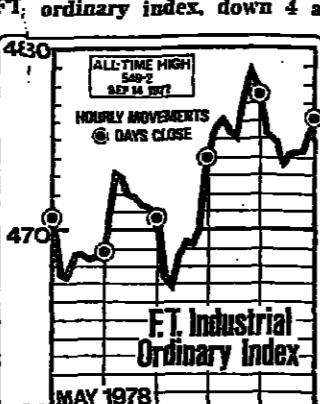
RISES	
Capital Cities, Prop. 55	+ 34
English Property ...	45 + 7
Estel	104 + 6
Hillards	246 + 3
Marling Inds.	94 + 21
Milbury	210 + 10
Sunley (B.)	212 + 14
Turner Mills	131 + 7
Burnham Oil	72 + 3
Concave Riotinto	244 + 1
Concave	90 + 4
Metals Exploration	40 + 3
MIN Holdings	210 + 5
Mount Lyell	32 + 5
Northern Mining	132 + 24
Pacific Copper	47 + 4
Utah Mining	400 + 40
FALLS	—
Treas. Nipco 1980	— 1008 —
Ascd. Fisheries	53 — 5
Engineering	36 — 10
Dykes (I.)	261 — 4
Ensign Plastics	48 — 8
Fluidrive	52 — 13
GNK	264 — 6
Hoath (C.E.)	372 — 6
Howden (A.)	100 — 5
Johnson-Richards	300 — 5
Midland Bank	365 — 5
Monk (A.)	93 — 7
Steel & Fibre	390 — 10
Steel Transport	553 — 7
Stretford	245 — 25
Whim Creek	65 — 5

BUSINESS

Equities, gilts drift in quiet trading

BY JOHN WYLES

• EQUITIES were subdued because of the coming holiday and political uncertainty. The FT ordinary index, down 4 at



10 a.m., closed 14 down at 476.1, making a net fall of 12.2 on the Account.

• GILTS drifted in subdued trading, and the Government Securities index closed 0.37 down at 70.10.

• STERLING closed 10 points down at \$1.8125 and its trade-weighted index fell to 61.4 (61.5). The dollar's depreciation widened to 5.04 per cent (4.95).

• WALL STREET closed 3.72 down at \$31.69.

• GOLD rose \$1.10 to \$179.7 in London, and the New York Comex May settlement price was 30 points down at \$179.30.

• U.S. TREASURY bill rates were: three, 6.855 per cent (6.478); and six, 7.16 per cent (7.141), the highest since December 1977.

• PERTAMINA, Indonesia's oil company, is planning a capital restructuring to enable it to borrow in its own right in the international financial markets. Back Page

• EXPRESS NEWSPAPERS and the Government have received 11,425 in the pound from their £1.425m secured investments in the workers' co-operative venture, the Scottish Daily News, which collapsed in October 1976. Page 3

• EEC Commission is to seek involvement in offshore oil and gas exploration and will ask Commission energy ministers to approve a scheme, which will certainly be opposed by Britain's Energy Minister, Mr. Anthony Wedgwood Benn. Back Page

• INTEREST rate on tax certificates bought on or after May 25 is to be increased to 10 per cent (9.1 per cent), and the rate on certificates surrendered will go up to 8 per cent (6.4 per cent). Lex, Back Page

• LABOUR

• STRIKE by 160 steel workers at Walsingham steelworks in Durham is preventing vital supplies of castings reaching UK shipyards. Page 2

• YORKSHIRE miners' leaders said that their 66,000 members would go ahead with their strike from June 5 after the breakdown of talks on rescue men's pay. Page 4

• BANK OF ENGLAND has been unable to distribute new notes from its sole printing works for the past ten days because of a dispute among note examiners. Page 4

• COMPANIES

• GEORGE EWER reports profit will above forecast at £1.1m for the 53 weeks to January 7, compared with £500,000 in January last year. Page 16

• CAPITAL AND COUNTIES PROPERTY maintained improvement in the second half to March 25, leaving pretax revenues of £3.07m instead of £4.24m deficit the previous year. Lex

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U.S. banks raise prime rates to three-year high

BY JOHN WYLES

NEW YORK, May 26. Major banks across the United States to-day raised prime rates to the highest level since March, 1975, underscoring tighter credit conditions imposed by the Federal Reserve Board's vigorous stand against increasing inflation.

For most banks, the 84 per cent prime rate established this month of the Fed's discount rate is the second increase on loans to member banks and this month on the loan rate, the increase last week to 7.7 per cent, of the target for the Fed's funds rate, which charge which banks make on reserves they lend each other.

The predictability of prime rate increases does not make them any more welcome to the Carter Administration.

They reflect tighter credit conditions making the outlook for sustained economic growth late this and early next year increasingly uncertain.

There are now signs that the administration is heading warnings from Mr. G. William Miller, chairman of the Fed that it wants to avoid a serious credit squeeze which could lead to a national calamity."

He said he had told his Cabinet to prepare for a "very tight Budget" for fiscal 1980, recession, it must take a tighter grip on fiscal policy.

In evidence to the Senate Banking Committee yesterday, Mr. Miller predicted that the administration target Budget deficit of \$50bn in fiscal 1979, \$40bn in

1980, \$20bn in 1981 and \$10bn by fiscal 1982.

Within hours, President Carter told a Chicago Press conference that he would take all necessary steps to contain inflation, currently running at around 7 per cent, a year-short of wage and price control which he never intended to impose, "barring a national calamity."

He said he had told his Cabinet to prepare for a "very tight Budget" for fiscal 1980, recession, it must take a tighter grip on fiscal policy.

Mr. Robert Strauss, Mr. Carter's chief inflation fighter, predicted during a visit to Dallas, that the fiscal 1980 Budget deficit would be well below \$40bn.

The expansion plans for Fiat's existing plants in the South include production of a range of buses, a new medium-sized car like the Fiat Ritmo to replace the small Fiat 126, now produced at the Cassino plant, and diversification of the production of Fiat mechanical components.

Fiat's proposed investments in the South, welcomed by the union leaders today, are expected to create about 5,800 new jobs in the south, where the level of unemployment is among the highest in Italy.

These investments, which Sig. Agnelli said were mainly export-oriented, are also likely to improve labour relations with Fiat in the Fiat group.

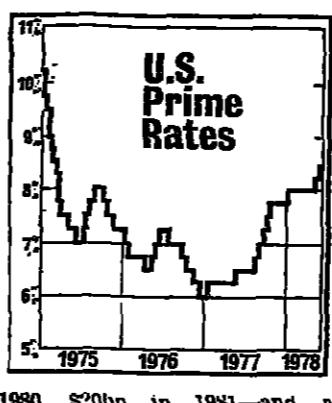
Fiat said in Turin later that it was talking with two European groups for the proposed commercial vehicles plant. The eventual partner, according to the Italian company, would probably take a 50 per cent share in the plant.

Sig. Agnelli is understood to have asked the Government for firm guarantees on the granting of subsidised funds and the necessary infrastructures for the Valle del Sangro project.

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One possible partner could be the Renault subsidiary, Savigliano, which recently joined with Fiat to develop a diesel engine plant in Sicily producing engines for Fiat light vans.

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OVERSEAS NEWS

Gromyko holds out hope on early SALT pact

BY OUR OWN CORRESPONDENT

MR ANDREI GROMYKO, Soviet Foreign Minister, to-day held out hope for an early agreement with the United States on the limitation of strategic armaments, which he will discuss with President Carter in Washington tomorrow.

In an address to the UN General Assembly, debating the disarmament question at a special session, Mr. Gromyko said many of the difficulties in the SALT talks had been overcome and "possibilities exist for resolving the remaining issues as well."

"Immediately after signing the agreement which is now being prepared, the Soviet Union would be ready to enter into negotiations which should lead, with all the necessary factors taken into account, to a substantial reduction of the levels of strategic arms and to a further limitation of their qualitative improvement," Mr. Gromyko said.

He said it seemed there were also grounds to expect a successful conclusion to talks between the Soviet Union, the U.S. and

UNITED NATIONS, May 26.

Britain on the complete and general prohibition of nuclear weapons tests. It was important that this accord be convincing enough to persuade others to join in, he said—referring to the refusal of China and France to take part in such discussions.

While much of the Soviet Minister's statement was positive, he did not reveal any of the customary jibes in the West, noting that next week's NATO summit in Washington would coincide with the UN debate.

It was no secret, he said, that the NATO agenda dealt with a further build-up of military preparations, projected into the 1980's. "One is prompted to ask what is basic to the policy-plan of those states—the continued arms race or a possibility of disarmament?" he said.

Vice-President Walter Mondale's attack here last Wednesday on the Soviet Union's deployment of SS-20 nuclear missiles, with their wide range of possible targets in Europe, the Middle East and Africa, produced the response from Mr. Gromyko.

Iraqi Communists executed

BY IHSAN HUZZI IN BEIRUT AND ANTHONY McDERMOTT IN LONDON

A MAJOR disagreement has broken out in Iraq between the Baath Party and the Communist Party, as a result of which at least 14 Communists have been executed during the past month.

Both parties are partners in the National Progressive Front, which was set up in July 1973, but which is heavily dominated by the Baath Party.

This drive against the Communist Party has obvious implications for Iraq's international ties with the Soviet Union and the Eastern Bloc. Iraq is the only Arab country to have still in operation a treaty of friendship with the Soviet Union signed in March 1972.

The Kuwaiti daily, *al Siyasa*, said on Thursday that the Iraqi government had threatened to break off diplomatic relations with Moscow if the Soviet Union provided military aid to the Marxist Ethiopian government in its current offensive against the Eritreans, who are backed by National Front in 1973.

The implication of this may be

that the Baath Party no longer regards the terms of the establishment of the National Progressive Front as being relevant.

It is likely however that the reports of execution of Communists reflect an internal crisis. A clue has been given by the London-based weekly, *al Dastour*, which in spite of its claims to be politically independent regularly reflects the views of the Iraqi Baath Party.

In a three-page article in its latest issue, *al Dastour* attacked the Communist Baghdad daily, *Tariq el Shaab* for its recent account of the Party's Central Committee meeting, accusing it of "many political and ideological falsehoods."

The article attacked the Communist Party for criticising the Baath Party "on the international, Arab and local levels, to a stand which had been widely discussed and agreed upon

the Party was also accused of "to drive a wedge between the Kurdish people and the (Iraqi) government."

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The implication of this may be

Italian tax increases approved

BY PAUL BETTS

THE ITALIAN Cabinet introduced tonight a first "mini-package" of tax and public utility increases, chiefly aimed at before the arrival here of an IMF team to review the undertakings to debt to a level acceptable to the International Monetary Fund (IMF).

Some L740bn is to be raised through a number of fiscal measures, including, among others, the increase of the tax on interest on bank deposits from 18 per cent to 20 per cent, and increases in stamp duty.

After the Cabinet meeting, the inter-ministerial committee for economic planning announced an 18 per cent increase in electricity tariffs.

Rail fares are to increase by 30 per cent, as from July 15, to help fractionally offset the deficit of the State railways, which totalled last year some L1000bn.

ROME, May 26.

The Government, however, is expected to introduce further tariff increases, chiefly aimed at before the arrival here of an IMF team to review the undertakings to debt to a level acceptable to the International Monetary Fund (IMF).

These additional measures are expected to be discussed by the Government with the trade unions and the other main political parties.

The Government has indicated its intention to reduce the enlarged public sector deficit this year from an estimated L30,000bn to about L24,000bn.

At the same time it intends to introduce a number of measures to promote what it calls "a recovery without inflation."

Some of these industrial and financial recovery measures were

adopted by the Cabinet today including the allocation of some L900bn spread over several years for extra export credits.

A further L1,000bn is to be allocated this year to the hospital service, while the Cabinet also said today that it would introduce so far unspecified additional subsidies for the country's industrial reconversion and reconstruction programme.

It also decided to apportion some L1,800bn to the troubled state sector groups for their investments programme.

The Foreign Ministry said in a statement that a cable had been sent to the Ugandan Foreign Ministry asking for an investigation.

It was also disclosed in London yesterday that one dead businessman was Mr. Gavin Whitelaw, managing director of Lonrho Exports, capital of St. Kitts, on Tuesday.

Copper mine at Kolwezi to re-start production

By Mark Webster

KOLWEZI, May 26.

THE BIGGEST copper mine in the Shaba province of Zaire should be back in production within 24 hours, the senior Zairean mine official said today. The Kamoto mine in Kolwezi will run at only 30 per cent of maximum capacity said the official, Mr. Walab Kapilash, but it could be run without expatriate labour, he insisted.

Mr. Smith made the announcement at a news conference on his first visit to South Africa since he was negotiating an end to minority white rule in Rhodesia with internal nationalist leaders.

Although his visit is officially for a holiday, he held talks yesterday with Mr. John Vorster, the South African Prime Minister.

But diplomatic sources discounted any significance in the simultaneous visit to Cape Town of Mr. Don McHenry, the deputy

Smith not to stand at next

BY QUENTIN PEEL

UNITED NATIONS, May 26.

MR. IAN SMITH, the Rhodesian Prime Minister, announced in talks on the Western initiative in Cape Town to-day that he will stand for a settlement in Namibia step down from active politics at the next election — to be held by the end of the year.

"I have no intention of standing in the next election," he said.

"By then my task will have been completed, and I will have done all I can to reassure the people of Rhodesia."

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U.S. Ambassador to the UN for the Rhodesian Prime Minister, announced in talks on the Western initiative in Cape Town to-day that he will stand for a settlement in Namibia step down from active politics at the next election — to be held by the end of the year.

The Rhodesian Prime Minister said that by the end of the interim period of the internal settlement plan, "the ingredients will be there to assure white Rhodesians they can stay on in Rhodesia, and that decent standards are going to be maintained."

He admitted that his withdrawal from politics "might have had a reassuring effect on all Rhodesians, not just white Rhodesians... I have been a controversial figure, let's not be about the bush."

On the internal settlement, he said he believed some of the Frontline African States, Britain and the U.S. were moving towards a re-assessment. Because of the invasion of Shaba province

in Zaire, there was a belief in Rhodesia that the free world would be shaken to their senses and will adopt a more realistic attitude towards this great problem of Communist encroachment in this continent.

Mr. Smith said that although he was disappointed that quick progress had not been made towards a ceasefire in Rhodesia, security officials and black leaders were in contact with "certain of the terrorist leaders" and the latest reports were encouraging.

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HOME NEWS

Hong Kong likes brandy

MORE liqueur brandy is drunk in Hong Kong than anywhere else on earth—apparently because the French have persuaded the people there that it promotes virility and whisky produces impotence, a Conservative MP claimed in the Commons yesterday.

Sir Paul Bryan, MP for Howden, highlighted British problems in exporting goods to the colony, during a brief debate before the House adjourned for the spring holiday.

Hong Kong did not ask much and offered a great deal. It was an open and straightforward market, Sir Paul declared.

"Our partners in the Common Market seem to do better than we do. High-quality consumer goods are what this market demands."

Stressing that the market for Britain existed in Hong Kong, Sir Paul told MPs of the powerful advertising campaign mounted by France.

"The French have actually persuaded the Chinese in Hong Kong that brandy promotes virility while whisky produces impotence."

"The result is that Hong Kong has the highest per capita consumption of liqueur brandy in the world."

But Sir Paul received no reassurances from the Government. Mr. Michael Meacher, Trade Under-Secretary, said Whitehall was doing all it could to make up for Britain's past neglect of exports to Hong Kong.

Architects win £25,000 grant

THE ENERGY Department has agreed to grant £25,000 to the Royal Institute of British Architects to assist its programme of mid-career education.

The first programme of 21 energy courses is being held between April and September, to be followed by a second series.

The institute will also use the £25,000 to speed the establishment of "energy centres" throughout the UK to provide the profession with information and training.

U.S. air tanker base plan for Berkshire rejected

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE CONTROVERSIAL proposal by the U.S. Air Force to base 15 KC-135 tanker aircraft at RAF Greenham Common, near Newbury, Berks, has been called off. Mr. James Wellbeloved, Under-Secretary of State for the RAF, announced yesterday.

Mr. Wellbeloved said Mr. Fred Muller, the Secretary for Defence, had decided against the scheme because of the possible hazards from the aircraft flying over the nearby Atomic Energy Establishment at Aldermaston.

Plans to re-activate the base for use by KC-135 tanker aircraft, which are used for air-to-air refuelling, led to widespread protests in the area.

Two of the women protesters were to visit the United States next week to see President Carter about the matter.

Low growth 'will not save energy'

By Ray Daft, Energy Correspondent

A SENIOR director of British Petroleum has said that continued low economic growth in Europe could perpetuate rather than ease energy problems.

Countering arguments that lower growth would ease the pressure on oil and gas supplies, Mr. Christopher Laidlaw, a managing director of the oil group, said that even in a recessionary world the continuing use of imported oil was "quite feasible."

Each year world oil consumption exceeds discoveries. "The problem is dangerously disguised at present by the world surplus of crude oil induced by the recession, so that people believe that real reserves are abundant when in fact they are in decline," he told the European Petroleum and Gas Conference in Amsterdam.

Continuing low economic growth would make the financing of new energy ventures much more difficult. Conservation efforts would also be frustrated. People would have insufficient capital to invest in houses with improved insulation and cars with lower petrol consumption.

The base has been on standby for the past 10 years and hundreds of houses have been built in the area, the implication that it would not be used again. Local residents were appalled at the high noise level of the big jets and the wide area that would have been affected by their shallow take-off paths.

Mr. Nicholas Ridley (C. Cirencester and Tewkesbury) said yesterday that 20,000 people would be affected if Fairford involved in developing its runway and other facilities to the required standard. It is likely however that the USAF may have to opt for this location since it is virtually the only one in the UK where the presence of tanker aircraft would be welcomed by the locals.

Lincolnshire on the other hand is keen to have the aircraft. Lincolnshire County Council, concerned at high un-

New jet 'must aid aerospace industry'

BY OUR PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT's decision on the choice of a new generation of medium-range civil aircraft will be based on the need to keep a healthy British aerospace industry in existence, Mr. Leslie Hockfield, Under-Secretary for Industry, told the Commons yesterday.

"It is essential that we retain a full design and manufacturing capability and a viable industry," he said. "British Aerospace must remain a thriving and profitable nationalised industry."

"We shall therefore insist that any new collaborative civil aircraft project must make sound commercial sense. We are not interested in a non-viable aircraft. That would not be in the interests of the workers or the taxpayers."

The Minister was replying to a debate initiated by Mr. Terry Walker, Labour MP for Kingswood, near Bristol, on the need for an urgent decision on the future production programme of British Aerospace.

The hour-long debate concerned the new generation of short to medium-range aircraft to be ordered by British Airways and its effect on British Aerospace.

From the Conservative Front Bench Mr. Norman Tebbit (Waltham Forest) said his party was unhappy about the apparent lack of leadership from British Aerospace.

Qatar's Health—
A new approach to treatment

It's a widely held view in the West that the moment an oil state resident sneezes he is bundled on to a plane to recuperate in a Swiss clinic or the mild air of St. John's Wood. It's also a fallacious view as modern medical facilities in the Gulf are nowadays perfectly capable of dealing with most of the ailments of their citizens. In the State of Qatar, the Government believes — to quote the late Sir Winston Churchill — that "healthy citizens are the greatest asset any country can have" and has always offered free medical treatment to anyone, Qatari or not, within its borders.

There have been two main problems along the line which have forced the Ministry of Health's hand when planning or reappraising services. The first, shared with other countries subjected to an accelerated rate of growth, is that there is a tendency for its residents in true Parkinsonian fashion to require just more treatment than the state can comfortably provide. Before the days of prosperity medical treatment was simpler. "Health problems weren't so advanced as they are nowadays," says Dr. Omar Hassan Hashisho MD, the acting Director of the Qatar Ministry of Health, and a resident of Qatar for 19 years. "People had a healthy traditional way of life far away from the hazards of civilization." Although people in Qatar are generally healthy and the state itself is free from endemic disease the modern illnesses like high blood pressure and diabetes are on the increase and the scourge of the modern age, road accidents, pose by far the most dangerous threat to life and limb.

The other problem is that existing facilities have been

subject to great pressure. Up to now, treatment at general practitioner level has been available at the Government's Polyclinic alongside the existing general hospital, the Rumailah hospital. Between three and four thousand people are seen daily here and opening hours have had to be extended to 10 p.m. nightly. This has eased the pressure on the hospital's 24-hour service accident and casualty unit as those suffering from minor ailments who used to turn up at odd hours can be separated

from genuine emergency cases and treated appropriately. There are two other clinics in operation in Doha which does spread the load a little and a few in coastal townships. There are also doctors in private practice. In-patient treatment is provided by the Rumailah hospital where local medical teams perform the functions of any general hospital capable of undertaking major and minor surgery and treatment supported by visiting specialists. Difficult cases are still flown abroad for specialized care although dependence on this scheme has lessened as facilities become available here and the steady flow has become a trickle. The Rumailah hospital has been improved and extended since its inception in 1957. The most recent is the current project to add a 72-bed extension (for medical and surgical cases), a four-bed intensive coronary care unit, a four-bed intermediate coronary care unit, a new theatre and a specialized burns unit with 12 beds. This should be ready by the end of this year. Maternity and gynaecological patients are seen at the Women's hospital where a new wing of 32 beds was added recently. A couple of small hospitals in the town cater for long-stay patients and those suffering from any contagious disease. There's a special clinic in the town centre open daily purely for vaccinations and immunizations — an important part of the Ministry of Health's child health programme. Qatar's important new hospital, the 660-bed Hamad General Hospital, is due to open its doors in mid 1980, but it is not seen as the complete solution to Qatar's medical problems. The Ministry of Health has embarked in the last year or so on a campaign to take medicine at primary care level out to the people and to implement an ambitious programme of community health care hitherto unknown in the area. Next year, four urban health centres will open in Doha, another in the suburb of Rayyan and a sixth near a cluster of outlying villages 20 km north of Doha near the road to the northern towns. Three more in small desert villages in the centre of Qatar are almost ready and facilities already available in the coastal towns of Medinat

al Shamal, Al Khor and Al Wakrah are to be expanded. Al Khor is to have a mobile clinic to cover outlying villages.

Particularly interesting are the plans announced for the new industrial area of Umm Said, south of Doha. A well-equipped and staffed accident and emergency unit will be established to deal with industrial accidents and there is to be an industrial preventive health centre so that the environmental health hazards of industry will be taken care of in a more appropriate way based on scientific principles. There is to be an effective inspection department to ensure that industrial safety measures are complied with.

People are the most important thing in medicine and the staff to man the new clinics and health centres are being recruited from Arab countries and will undergo an intensive training programme to ensure that the teams operate as a cohesive unit whether they are physicians or filing clerks, midwives or social workers.

It is hoped that this emphasis on primary care at doorstep level covering almost all of Qatar will reduce the number of patients requiring hospitalization and enable illnesses to be diagnosed early. Rather in the way that British doctors are apt to blame their full surgeries on cold November nights on central heating so the uncharitable in Qatar see the advent of handy air-conditioned clinics as an invitation to malingerers. It is a fact though that people in Qatar are health conscious particularly where their children are concerned and turn up in increasing numbers for advice. Surely proper advice from the right quarter is much better than the alternative — a supermarket basketful of proprietary medicines from the amply stocked pharmacies in downtown Doha.

For further details contact: Press and Publications Department, Ministry of Information, P.O. Box 5147, Doha, Qatar. Telephone: 321540/4 (5 lines) Telex: 4552 QPRESS DH

Dayco may site \$10m plant in Britain

By Kevin Done, Chemicals Correspondent

DAYCO, THE U.S. rubber and plastics engineering company, is planning to build a \$10m plant in Western Europe.

Mr. Richard Jacob, chairman and chief executive, said yesterday that the UK was a likely contender. The company already has one plant at Dundee—its only existing manufacturing unit in Western Europe.

Dayco is investing about \$3m at the Dundee site this year. It is increasing production of textile printing blankets and has installed a new production line for plastic vacuum cleaner hose.

It claims some 75 per cent of the U.S. market for fan-belts used in new cars and 20 per cent of the market in the EEC.

Fan belt manufacture could be started in the UK. Mr. Jacob said yesterday, rather at Dundee, that a site is available.

The decision by Ford to site its \$180m engine plant at Bridgend in South Wales is one important factor that could attract Dayco to the UK and to a site in South Wales also.

It is at present studying several sites in Britain as well as in other West European countries. A decision is expected in the next three months.

Dayco, which had sales last year of \$570m (15 per cent of the turnover from overseas markets), makes rubber, plastic and textile components for many sectors, including the automotive, domestic appliance, textile, chemical, agriculture, construction and energy industries.

The plant at Dundee employs about 300 people and another 300 will be employed at the new plant.

Main competitors in the UK fan-belt market would be Turner and Newall, Goodyear, Fenner, and Dawsons.

Based on exports, Dayco has only a small share of this market, but it is already supplying components for the Rover V8 engine.

Leather craft college opened

PRINCE MICHAEL of Kent yesterday officially opened Western Europe's first leather college where every aspect of leather technology is taught.

The £5m National Leather Sellers' College at Northampton, which provides facilities for 120 students, is a result of a merger of London's former leather centre and the Nene college's leather department at Northampton.

HOME NEWS

Britain to cut interest for Soviet deals

BY LORNE BARLING

BRITAIN is to reduce interest into which the Soviet Union rates on its export credit agree falls. Similarly, France recently concluded the inter- agreement which national agreement on these promised around \$700m worth of rates. The move will bring Britain into line with France and Italy, who have cut these interest rates.

It was therefore clear that to protect British interests, a similar incentive would have to be offered. But Britain has an additional bargaining counter.

As a result of the recently introduced foreign currency finance scheme which in extreme cases, allows an option of quoting in sterling or dollars.

The Soviet Union has been opposed to accepting dollars, as an agreement concluded last week allows a variation in interest rates between the two currencies.

It is understood that a minimum rate of 7.1 per cent 1975 agreement shall be modified accordingly, and I trust this will pave the way towards gaining further substantial contracts."

The ultimate advantage or disadvantage of the agreement depends on the movement of the two currencies, but it is expected to speed up the conclusion of a number of major contracts.

Although deals worth around £1.5bn are now under consideration, only a small proportion is likely to come to fruition.

In one major deal, Italy is to withdraw from the arrangement, which further undermines the so-called "gentlemen's

The consensus provides for agreement" on interest rates, is 7.5 per cent on two to five year business and 7.75 on five years be persuaded to reduce rates or more under the "intermediate" category of countries even further to gain a competitive edge.

Crown Agents probe 'could take a year'

BY MARGARET REID

THE CROOM-JOHNSON produced a small overall net Tribunal of Inquiry which in surplus of £4m. September opens its investigation into the responsibility for the Crown Agents' £224m losses in 1967-74 could last 12 to 18 months. Mr. John Cuckney, chairman, said in a

statement, "The agents, who carry out purchasing and investment services for about 100 governments, placed orders of £196m through their supplies and recruitment directorate in 1977. 78 per cent of the business going to UK suppliers.

By the end of March 1978, deposits placed with the agents by their overseas clients totalled £510m, £56m higher on the year. The recently-formed three-men Tribunal of Inquiry, under Mr. Justice Croom-Johnson, is to consider whether there were lapses from accepted standards of commercial or professional conduct, or of public administration, in relation to the Agents' "own account" operations in 1967-74.

The inquiry, following the detailed Eye Report on the Agents' secondary banking and property ventures published last December, is likely to involve a look at the role of Government Departments and the Bank of England in relation to the affair.

The accumulated deficit of £224m on the realisation account at the end of last year was reduced to £207m by the profit on certain disposals.

The adding-in of the £175m of Government grants, and the credit of reserves, finally

Liberals set for new pact, says Pardoe

BY RICHARD EVANS, LOBBY EDITOR

THE READINESS of the Liberals to enter into a pact announcement within July, unless within the Party would go to considering whether to carry on with either Labour or the Conservatives after the next General Election was underlined last night by Mr. John Pardoe, the party's economic spokesman, following formal notice that the recent Lib-Lab pact would end with this parliamentary session.

In a day that brought a surprising lack of reaction from senior politicians to the ending of the pact, Mr. Pardoe said the Liberals recognised that agreement between politicians in different parties was in the best interests of the country.

"We are prepared to use our influence to maximise that agreement whenever it can be created," he said in his North Croydon constituency.

The assumption at Westminster is that the Liberals, after seeking to re-establish their political independence as rapidly as possible, will urge the advantages in the next General Election campaign of coalition government, with re-elected Liberal MPs exercising a restraining influence on either a Labour or Conservative minority Government.

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Scots Nationalists will make big effort to take Hamilton

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH National Party Conference yesterday closed Nationalist troops in Hamilton by up to 500. Mrs. Margo MacDonald, candidate in the important Hamilton by-election next Wednesday, as she attacked the Party's economic strategy for independence, said the Government hoped to float Scottish economic failure in Scotland.

MacDonald received a standing ovation when, in a break from canvassing, she addressed the conference in Edinburgh.

In the constituency, Mrs. Margaret Thatcher, Leader of the Opposition, went for a walk yesterday, and the Labour candidate announced that Mr. Anthony Wedgwood Benn, Energy Secretary, would speak in his support today.

Gloomy predictions about the SNP's chances of taking the Hamilton seat from Labour have subdued the mood of delegates. But they decided yesterday to make a huge effort in the final days of the campaign.

A suggestion that the conference should end early to allow every delegate to canvas in the constituency was rejected.

But it was agreed that each delegation should send a fifth of its members to help in the fight this afternoon.

U.S. textile industry against any concessions on tariffs

BY RHYTH DAVID, TEXTILES CORRESPONDENT

AMERICA'S textile industry says it will oppose any concessions by the U.S. Government on textile tariff levels at the present GATT multilateral trade negotiations.

The U.S., with a much higher range of tariffs on textiles and clothing than the EEC, has made one offer of reduction at the negotiations which has been strongly criticised in Europe as anti-liberal.

Mr. Edmund Dell, Secretary for Trade, at an international conference on textiles in London this week urged the U.S. to change its policy and follow a liberal one.

In Britain a sustained campaign has been waged to persuade the U.S. to reduce its 40 per cent duty on wool textiles.

At the conference yesterday Mr. Robert Small, president of the American Textile Manufacturers' Institute, said the industry was continuing to press for all textile and apparel tariffs to be exempted from the negotiations. He claimed substantial support for this position in both Houses of Congress.

New building society law planned

By Michael Blanden

NEW LEGISLATION to control the building societies is planned by the Government in order to bring the UK system in line with Common Market requirements.

Mr. Denzil Davies, Minister of State, Treasury, said yesterday that substantive amendments would be required to the Building Societies Act, to comply with the requirements of the first EEC directive on credit institutions.

The Government intended to bring the necessary legislation forward as soon as practicable, having regard to the pressures on the Parliamentary timetable.

Consultations on the form of the legislation were in progress with the Building Societies Association. But the Government had decided to defer the application of the EEC directive to both the building societies and the trustee savings banks.

Mr. Davies was replying to a question from Mr. Giles Radice in the Commons.

Du Pont fears safety law details may aid rivals

FINANCIAL TIMES REPORTER

DU PONT, the U.S.-based chemicals group, is worried that Government safety legislation may force it indirectly to disclose commercial secrets to its competitors.

Mr. Terry Wright, company secretary and legal adviser to Du Pont's UK subsidiary, said that Health and Safety Executive inspectors were asking for the composition of chemical products. He claimed that this information could eventually find its way to trades union members in rival companies and that, in these circumstances, Du Pont would refuse to disclose product formulae.

"Any inquiry from the negotiation and data appraisal unit is almost always generated by an inspector from the executive," Mr. Wright told a conference of the Royal Society for the Prevention of Accidents in Harrogate. "If he gets the information in dispute" with the solicitor, he is under a duty to make it available under Section 28 of the Health and Safety at Work Industries Association Act to anyone whose health or

S. Wales coalfield loss may be £30m

BY JOHN LLOYD

THE SOUTH WALES area of the National Coal Board is expected to show a loss of about £30m for the financial year 1977-78. This is more than twice last year's deficit of £14.6m.

The deficit means that the Margam colliery development which was to have gone for Board approval on May 31, will be deferred indefinitely. Margam, near Port Talbot, would cost between £90m and £100m and employ 750 miners.

Productivity gains from the incentive bonus scheme have so far had little effect on the dramatic deterioration of the area's financial position. South Wales was the last area to bring in the incentive scheme and has since been hit by industrial action by clerical workers.

While most other coalfields have shown some productivity gains in the last quarter of the year (February-April), South Wales' figures were no better than the previous year.

Mr. Philip Weeks, the area director, said yesterday that he expected to see improvements in productivity over the next few months. He could not recommend proceeding with Margam, however, while the area was in such a "critical cash flow situation. The investment must now depend on a reversal of the financial position."

Margam was the largest of the projects due to come up for Board approval and the first new deep-mined pit in South Wales for eight years. It has extensive reserves of high-quality coking coal, which it was hoped, would be taken up by the nearby Port Talbot steel works.

However, the announcement by the Government earlier this year that plans to double Port Talbot's capacity were being scrapped had meant that an expanded future market for coke had disappeared.

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With a reduction in unemployment and inflation, it calls for import substitution, revaluation of the Scots pound, and the renegotiation of existing international treaties.

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LABOUR NEWS

Shipyards work threatened by steel strike

BY OUR LABOUR STAFF

A STRIKE over pay by 160 see no reason why the men manual workers at Wolsingham should not get the full offer." Negotiations are being held between British Shipbuilders and the union to settle the dispute.

Wolsingham Steel, through Sunderland Shipbuilders, came into public ownership because of the nationalisation of shipbuilding.

Our Labour Correspondent

An appeal to steel industry managers to think again about the failure of their management association to merge with the industry's biggest union was made yesterday by Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation. The move was seen by Steel Industry Management Association officials

as the start of an attempt to poach their members. The association is seeking affiliation to the TUC in its own right after the collapse of talks with the confederation. TUC officials are urging the association to continue seeking a merger with an existing affiliated organisation.

Wolsingham supplies rudders, stern frames, ancillary deck equipment and other machinery to British Shipbuilders' yards at Appleby, Govan and Tyne and Wear. Mr. Bill Porter, General and Municipal Workers organiser, says that some of the yards could soon be laying off men if the strike continues.

"We are asking for no more than we are entitled to," he said. "We are not in breach of the industry was being 'torn apart

Government's pay code, and I by fragmented representation."

Postal union backs seats on board plan

BY PHILIP BASSETT, LABOUR STAFF

THE UNION of Post Office restoration of Sunday collections. Workers yesterday gave strong backing to the Post Office's five-month-old experiment in experiment, the report said, was industrial democracy, based on a possible conflict of loyalty between the interests of the Post members in the Post Office and those of the unions.

A further problem was to try to maintain a position which did not present difficulties for faced strong criticism from the union's negotiations with the delegates at the union's conference in Blackpool for giving strike by the union members of support to two controversial the Board between interference Post Office plans unacceptable and doing nothing.

Mr. Rowley said that it had been easy before the experiment decisively rejected Post Office plans for the restoration of Sunday mail collection, and the 1,700 delegates yesterday rejected Post Office proposals for the introduction this year of a restricted concessionary 5p rate for Christmas cards.

Both proposals were supported by two union members on the Board—Mr. Fred Moss and Mr. Ivan Rowley—despite standing union policy which opposed "stupid" decisions taken.

Banknote output halted by printing workers

BY NICK GARNETT, LABOUR STAFF

THE BANK of England has been prevented from distributing any week, the bank's delivery new notes from its sole printing drivers have been refusing to work for the past 10 days despatch new notes—which of which because of a dispute involving 6m and 8m a day—in sympathy with the examiners. Non-SOGAT Graphical and Allied Trades examiners have apparently been prepared to work normally.

The dispute arose over a closed shop claim by the bank's note examiners at the Loughton works in Essex. According to the notes, which replace old cut-off Bank, half of the 600 examiners would not have had a significant effect as yet.

In the first quarter of the year, foreign buyers took home 107,000 head of cattle and calves compared with 46,000 in the corresponding period last year. They also bought 117,000 head of sheep compared with 92,000.

Beef exports were 23,000 tonnes compared with 16,000 tonnes, and earned £40m against £21m last year.

The main suppliers of fish were the Icelanders and Danes. British boats are no longer allowed to fish off Iceland.

Biggest buyers of British beef and livestock were the French, who sell much of their own production to the Italians.

Something's got to give

THURSDAY should have been a time of high excitement in the City. The Chancellor published his latest letter of intent to the International Monetary Fund, and the Liberals gave formal notice of their coming withdrawal from the Lib-Lab pact. The Bank of England abandoned its market-related formula for establishing Minimum Lending Rate, and went back to something like the old bank rate. And there was a stream of profits news from major companies, led by ICI— together with an announcement that English Proportional Corporation was in big talks.

But the only reaction in the securities market seemed to be stifled yawns and early trains. Equities and gilts continued to trade in a narrow range, as they have throughout a week in which the level of activity has fallen off noticeably.

Sooner or later, something is going to give. Either the Government will convince the City that it can reconcile its spending plans with its monetary objectives, or it will be forced to offer them gilts at prices which employed but progress is slow, inventive to do anything in the way. Group sales at just over £1bn fixed interest market until this first quarter of 1977 with sales face a two-way pull between the threat of higher interest rates value of exports from the UK and the hope of higher profits was also down on the comparative period last year.

In the circumstances, the City decided that the thing to take Europe are consistent with the experience of other major chemical companies operating in the market but the twin problems of over capacity in the fibre and petrochemical industries and flat demand force

LONDON ONLOOKER

modest improvement in trading performance in the UK and Western Europe helped ICI to achieve a profit before tax and grants of £112m for the first quarter of 1978. While down on last year's first quarter it was an improvement on the last three months of 1977 and was better than most observers had anticipated.

The market was a little nervous before the figures were announced on Thursday but reacted with enthusiasm during the afternoon to push the price to 388p, a gain of 10p.

Petrochemicals and fibres remained the group's major problem areas with last year's fibre losses continuing into the current year. Efforts are being made within the company to improve the competitive position in terms of output per man employed but progress is slow.

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ICI's comments about improved trading conditions in Europe are consistent with the experience of other major chemical companies operating in the market but the twin problems of over capacity in the fibre and petrochemical industries and flat demand force

the company and market analysts to remain only cautiously optimistic about performances in the full year. Estimates of the full year result have been nudged up a little and the range is now £475m to £500m before tax. This compares with 1977's actual figure of £483m pre-tax.

New issue activity

The staggering response to the Eurotherm offer for sale, 85 times oversubscribed and the shares opening at around

a 50 per cent premium—may

have caught the imagination of a few companies hoping to "go public." But it is unlikely to convert another 0.7 per cent.

Earlier this year Saga Group also met with a good response—oversubscribed 12 times—and Ford main dealer C. D. Bramall is intending to get a quote next week by way of a placing. Others are on the way, but there is not a big queue. There has been a build-up of rights issues during the last couple of months—£73m has been raised so far in May—and capitalisation issues of preference stock are fast becoming fashionable as a way of increasing shareholders' come. But the list of companies waiting to raise new equity is not a couple of months long and there are plenty of gaps.

Although there might be more staggering opportunities to

come, one issuing house is understood to be studying ways of avoiding charges of wrong pricing. A possibility is an offer for sale by tender, which shifts the pricing decision on to the public rather than the advisers. It has been done before but it is not popular.

Albright dilemma

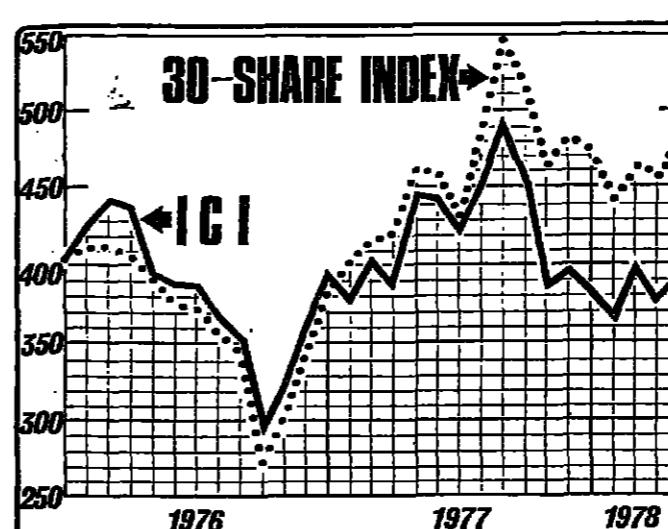
Tenneco's £100m bid for the shares of Albright & Wilson it does not already own puts the Board of Albright in a delicate situation. The directors have been very happy with the existing arrangement whereby Tenneco behaves like a kindly uncle, and leaves Albright to manage its own affairs. Now all that could change.

There is not much the Board can do to resist the approach since Tenneco has 9.8 per cent of Albright and the right to convert another 0.7 per cent.

The more strident the opposition to the terms of 165p per share, the more difficult relations might be between the two companies if Tenneco consolidates its control.

Yet there has been overwhelming opposition to the terms by stockbrokers who know Albright. The brokers are able to do some of the directors' public relations work for them without causing offence.

The stockbrokers' lobby has been claiming that profits will rise this year from £354m to £404m and that 1979 will see the fruits of earlier capital investment and profits in the £46m to £49m range. On this basis, and be using ED19 to help the argument, the prospective 1979 p/e



is about 6—which they say duces close on 50 per cent of makes the price too low.

Borthwick's problems

When Borthwick was floated in 1976 potential shareholders were warned that the meat business had fluctuating fortunes. The truth of this remark, unfortunately, is now all too clear. The six months figures to March reveal pre-tax profits down by more than 50 per cent to £2.2m and a question mark has been placed over the dividend prospects for the year as a whole.

Together with a heavy five-year upgrading programme in NZ this means that the main

of the main problems is profit centre for Borthwick is

the New Zealand operation, on a chronic slide at a time

which is a mainspring of the when the new diversifications, group. It accounts for 40 per cent of the net tangible assets not producing the results and in a reasonable year pro-expected of them.

It's a gamble

THIS HAS been a week for technical analysts and much the 800 mark. Fallen back to, perhaps, around most puzzling since the market took flight on April 12. No sooner had this column noted last Saturday that the market had recently developed a strange appetite for bad news which last year made equities as popular as private enterprise funds from 70 per cent to 65 per cent and mutual funds from 90 per cent to 85 per cent. Publication of this fact built on concerns which became more evident this week about the outlook for inflation and interest rates. Both appear to be going up and it is already anticipated that the April consumer price index figures to be published next week will be bad, not least because the rise in food prices, which climbed at an annual rate of 16.4 per cent in the first quarter, show little sign of levelling out.

Deceptively the Dow Jones Industrial Average gained 8.5 on Monday but a clear sign that investors were pausing for thought was the trading volume

NEW YORK

JOHN WYLES

that day which at 28,650 shares was the lowest since April 12.

On Tuesday, Wednesday and

Thursday the average was sliced

more than 20 points on trad-

ing volume which was generally

lower than we have seen for

the past month and the question

being pondered by brokers as

they pack for their bank holiday

weekend is whether the 16 per

cent gain in the industries over

the past six weeks is about to

evaporate.

These institutions and foreign investors who have waded into the US stock market recently can take comfort from the fact that few technical analysts yet

believe so. The general explana-

tion seems to be that some kind of "intermediate" correction is

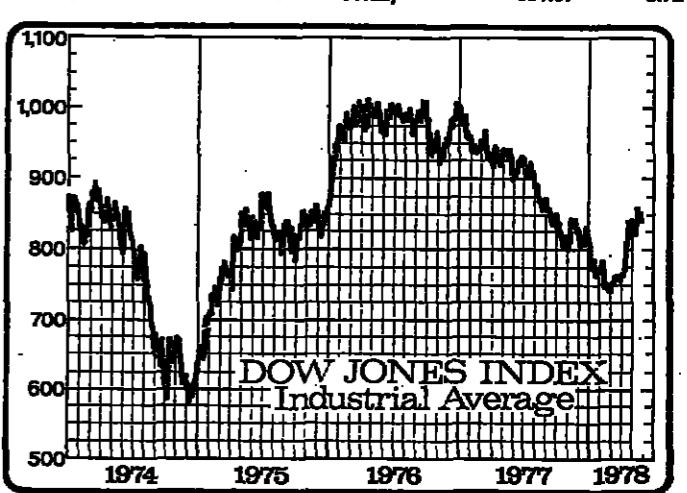
to be expected and that price

levels, coupled with known

potential demand, point to a

recovery after the market has

CLOSE
Monday 855.42 + 8.50
Tuesday 845.29 - 10.13
Wednesday 837.92 - 7.37
Thursday 835.41 - 2.51
Friday 831.69 - 3.72



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	476.1	+ 5.5	497.3	433.4	Awaiting break of impasse in gilts
Albright & Wilson	163	+ 39	166	86	Bid from Tenneco
Avon Rubber	186	- 28	219	174	Disappointing interim results
Borthwick (Thomas)	54	- 11	73	54	Interim profits setback
Capital & County Laundries	148	+ 98	148	50	Bid from Johnson Group Cleaners
Caravans Int'l.	72	- 12	96	72	Chairman's profits warning
Dobson Park	95.1	+ 10.4	95.1	67	Dividend-boosting rights issue
English Property	48	+ 11.5	51	27	Takeover talks with Cont. Group
Eurotherm	148.1	+ 48.1†	153	142	Highly successful debut
ICI	390	- 20	390	328	First-quarter figures enthuse
Johnson-Richards Tiles	100	- 34	134	79	Hep. Ceramic bid ref. Monop. Com.
Metals Exploration	40	+ 14	40	10	Speculative demand
Messina	99	+ 22	99	70	Rise in copper price
Northern Mining	132	+ 48	153	9	Diamond exploration hopes
Sharpe (W.N.)	198	+ 23	205	134	Capital reorganisation proposals
Western Bros.	97	+ 40	97	56	Offer from W. J. Glossop
Whim Creek	65	+ 10	70	35	Speculative demand

† Based on offer price.

U.K. INDICES

Average week to	May 26	May 19	May 12
FINANCIAL TIMES			
Govt. Secs.	70.31	71.03	71.11
Fixed Interest	71.95	72.30	72.32
Indust. Ord.	473.4	479.7	478.9
Gold Mines	153.9	151.1	146.8
Deals mkt.	4,979	5,516	5,391
FT ACTUARIES			
Capital Gds.	211.90	213.84	212.02
Consumer (Durable)	193.79	197.10	196.90
Cons. (Non- Durable)	201.31	204.93	205.30
Ind. Group	209.39	211.39	210.07
500-Share	233.11	235.16	233.70
Financial Gp.	164.79	168.04	167.73
All-Share	214.87	217.24	215.84
Red. Debts.	57.40	57.80	57.74

Diamond fever

THE ONLY THING that will stop the boom in Australian mining stocks will be the Sydney computer breaking down, said one UK investor as he contemplated the rise in the market over the last fortnight. Brokers are not quite so outspoken.

Mr. Carnegie, at least, is hedging his bets and if his time span turns out to be correct then the Australian market will have time to go through another couple of boom-depression cycles.

RTZ, which owns 72.6 per cent of CRA, is also hedging its bets on future development. The higher capital cost of mines and the likelihood of more stringent conditions on loans in the financial markets has led to the conclusion that it can no longer take a sole dominant position in new ventures.

Partners are necessary. Sir Mark Turner, the chairman, told the annual meeting. And the best place to find them, it seems, is among large oil companies with, as he put it, "their substantial cash flows and engineering experience, and interest in diversifying into minerals."

Looking at the immediate prospects, he warned the shareholders that results in the first half would not be as good as in the first six months of 1977 when net attributable profits were £23.3m. The group's problems are common.

Zinc prices have been depressed and copper prices have been low, although the mining companies must have been encouraged by the recent rise in the London Metal Exchange cash copper price which closed yesterday at over £770. At the beginning of next month it was £691.5.

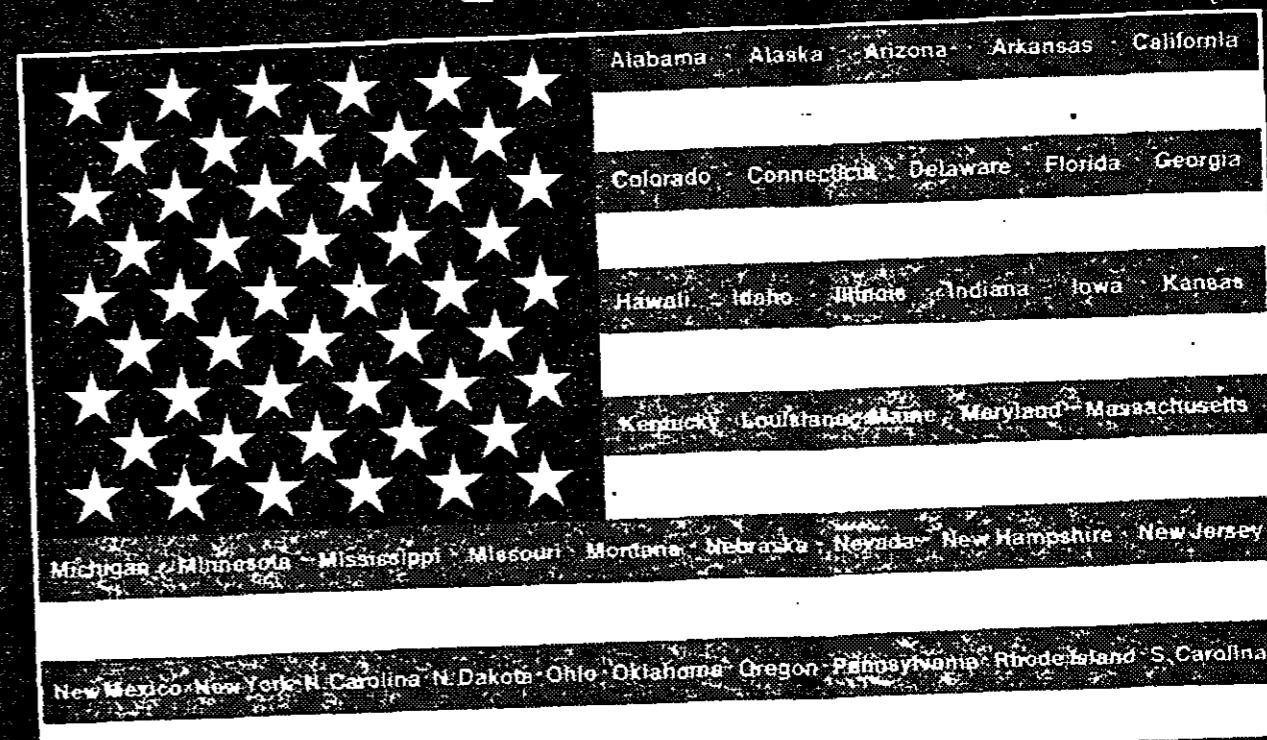
The iron business has also been sluggish in the face of recession in the steel industry. On the other hand, Sir Mark thought results from Canada, the U.S. and the UK would be as good if not better than last year. He saw signs of strengthening in the U.S. economy which could lead to higher base metal prices later in the year.

At the annual meeting he faced strenuous questioning from anti-apartheid groups about the Rossing Uranium mine in Namibia (South-West Africa). RTZ's beneficial interest is 46.5 per cent.

On Wednesday night, only hours after Sir Mark had been speaking, a fire broke out at one of two solvent extraction plants at the mine. Production stopped and it will take six months to replace the destroyed plant.

Tongues wag about CRA setting up a pilot plant. This is a process plant, some people claim. But only CRA can know. And for the record, Mr. Rod Carnegie, the CRA chairman, plant.

Piccadilly American Fund



Invest now for capital growth

The United States of America is one of the world's strongest economies. Its strength is based on the country's abundant natural resources and its commitment to free enterprise and the creation of profits and prosperity.

FINANCE AND THE FAMILY

Outside the Rent Act

BY OUR LEGAL STAFF

I let off a fully furnished four bedroom house, two singles and two doubles to young men who have signed separate licences and pay me individually. However, I am wondering whether this licence is not outside the Rent Act, as it allocates a room to an individual and says nothing about sharing the whole of the house, including the bedrooms. What, please, is your opinion?

The effect of your "licence" agreements is probably not to oust the operation of the Rent Act 1977 entirely, and it could create a true tenancy of the room designated. However the recent decision of the Court of Appeal in *Somma v. Hazehurst* The Times, March 7, 1978 makes it possible to argue that the parties did intend to create a licence wholly outside the Rent Act. We still think it desirable to require full sharing of the whole of the premises if the Rent Act is to be avoided.

Enforcing a transfer

Included in my late mother's estate, which is not yet settled, were some shares held in trust for my brother and me. The senior executor has written "with you and your brother's permission, we can, of course, transfer the shares to you now." I replied by return and with my brother's agreement, that we wished this transfer to be made, but despite further requests over the past four months, nothing has been done. How can I get a speedy transfer?

Provided your brother's agreement or request to have the shares transferred is demonstrated in writing signed by him you can insist on the transfer. You should write by recorded delivery service stating that unless the transfer is effected

without delay you will commence proceedings to have him for delivery up of trust funds to which you (and your brother) are absolutely entitled beneficially. If necessary proceedings can be instituted in the Chancery Division of the High Court or in the County Court (depending on the size of the estate).

The price of a freehold

Can you tell me of any formula or guidelines there may be for the price to be paid for the purchase of a freehold, in accordance with the terms of the Leasehold Reform Act?

There is no formula in the sense of a simple rule of thumb. The Leasehold Reform Act 1967 (as amended by the Housing Act 1974) makes provision as to the basis of valuation to be adopted. Subsection 9 (1A) provides a more generous (in favour of the freehold reversioner) computation where the rateable value exceeds £1,000 in Greater London (£500 elsewhere). You would be wise to consult a surveyor/valuer to obtain a figure.

Ownership of a ditch

We are trying to establish the boundary of our land fronting onto a bank over a ditch. I understand that when a ditch was dug and the spoil thrown back to make a bank it was the land of the person digging it according to the common law. We usually clear the ditch but on occasions

it has been done by the Highway Authority and I have been advised that in these circumstances, it would be unwise to pursue the question of ownership of the ditch against them. What please is your view?

Unfortunately we think it is incorrect to surmise that the common law recognises any rule or principle relating to the ownership of ditches. The matters which you mention, digging the ditch, throwing up the spoil and cleaning the ditch, may be acts which are indicative of ownership, but in each case it is a question of fact as to where the true boundary of your land lies; and questions such as this are often extremely difficult to resolve. However the mere fact that the Council has occasionally cleared the ditch would not establish ownership in the Council, more especially if the Council's cleaning was only effected at your (or your predecessor's) request.

Drawing up a lease

My mother, who is disabled, is coming to live with my sister and me, and in order to qualify for an improvement grant for a cottage we own, I am told we shall have to give my mother a lease for six years or more. Is a legal document necessary and can I write the lease myself?

A lease is a legal document, but there is nothing to stop you drawing up such a document yourself. It must be a deed if it is for more than three years. However there are many complexities and potential pitfalls in drafting a lease, and you may

think it wise to obtain professional assistance. When executed the lease will have to be stamped on payment of stamp duty, as will the counterpart, the latter bearing only a fixed duty of 25 pence.

Liability of a trustee

I am one of four trustees of a club, who hold the club's property. An expensive rebuilding scheme is mooted, which I fear could cause the club to become insolvent. In that case, could a trustee's personal funds be at risk and so, is there any way in which this could be avoided? At what stage would a trustee have to resign in order to avoid the dangers?

While you would be entitled to an indemnity out of the trust property, there is nothing to limit your liability to a third party such as a trader or builder. Unless therefore you stipulate in any contract that you are contracting as trustee and not in your personal capacity, your personal funds could be at risk. If you wished to avoid risk by resigning as trustee that would have to be done before the contract is entered into.

Winding up a small estate

With reference to our reply under Winding up a small estate (May 13) we are informed that the facilities provided by section 33 of the Customs and Inland Revenue Act of 1881 are no longer available. The section itself was finally repealed by the Finance Act 1975, whilst the simplified process for small estates referred to in that section was effectively terminated with effect from April 1, 1968 by the Finance Act 1967.

As regards the issue of grants of representation in England and Wales, there are no financial restrictions or limitations. Application must be made to either the Principal Registry or one of the district probate registries, in all of which special facilities exist for the convenience of applicants acting in person without the aid of a solicitor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Tax and earnings in the U.S.

Next year I will be taking up a visiting professorship at an American University. I will be out of the country for a little over a year from mid-August 1978. The provisional arrangements are as follows: the American University will pay me \$14,000; my university will pay me a small residue of my U.K. salary viz. about £1,000; my university will also give me a travelling scholarship of £250.

Could you please tell me (1) Will I pay any U.S. income tax? (2) Will I pay any U.K. income tax on either (a) the \$14,000 or (b) the £1,000?

(3) Will the travelling scholarship be subject to tax? (4) May I bring any of the \$14,000 back into the U.K.? (5) How do I supply proof to the U.K. Inland Revenue of absence abroad? (6) Would either myself or my wife be eligible for any tax rebate for the period from April of this year to when we go to the U.S.A. in August?

It is not possible to give you clear-cut answers on the basis of the limited data, but you will

be explained in the booklet IR25 (1977), probably not (b) Yes.

(3) Probably not. (4) Yes.

(5) Your statement of the facts

Finance Act 1977), which is should suffice. (6) Probably

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YOUR SAVINGS AND INVESTMENTS

**Life in the palace**

THE LONDON offices of insurance companies are usually either solid and Victorian, or massive steel and glass edifices. The London base of the Ecclesiastical Insurance Office, however, is refreshingly paying a special bonus again. It is housed in part of a bishop's residence, Fulham Palace (above).

The EIO, as it is known, is very much the "church militant" as far as life assurance investment is concerned. Its latest bonus announcement, made this week, puts the company top for the performance of its 25 year term policies. For some reason the company ends its year on February 28 (February 29 on leap years). It is the smallest of the life companies that do not pay commission to intermediaries, and this is one reason why it can offer such good returns on profit with endowment contracts—and one bonus is more equitable.

still marketing them. This week City of Westminster Assurance launched its own version of a growth and income bond, and compared its expected performance with that which a building society deposit might be expected to produce.

The bond takes the form of a single premium endowment assurance policy with the sum assured equal to the outlay made. This effectively means that the investment will be returned at the end of the period, or on earlier death. But the new feature of this plan, called the Double Plus plan, is that two kinds of bonuses will be declared as well.

The first is the usual form of guaranteed bonus payable half-yearly. The company call it an income bonus and the rate is 3½ per cent per half-year. The company says that these bonuses can be cashed immediately they are declared, at their face value, with no immediate tax liability thanks to the 5 per cent withdrawal rule.

There comes what is termed a capital bonus, which is an additional bonus added at the end of each policy year (excluding the first year). These bonuses are not guaranteed, and their value will depend on market conditions and investment performance. They will be rolled up, but the policyholder can decide whether to leave them to do so or encash them and invest elsewhere.

The bond can be encashed at any time on demand with no surrender penalty, which is an unusual feature. But the company has checked that this procedure is acceptable to the Department of Trade.

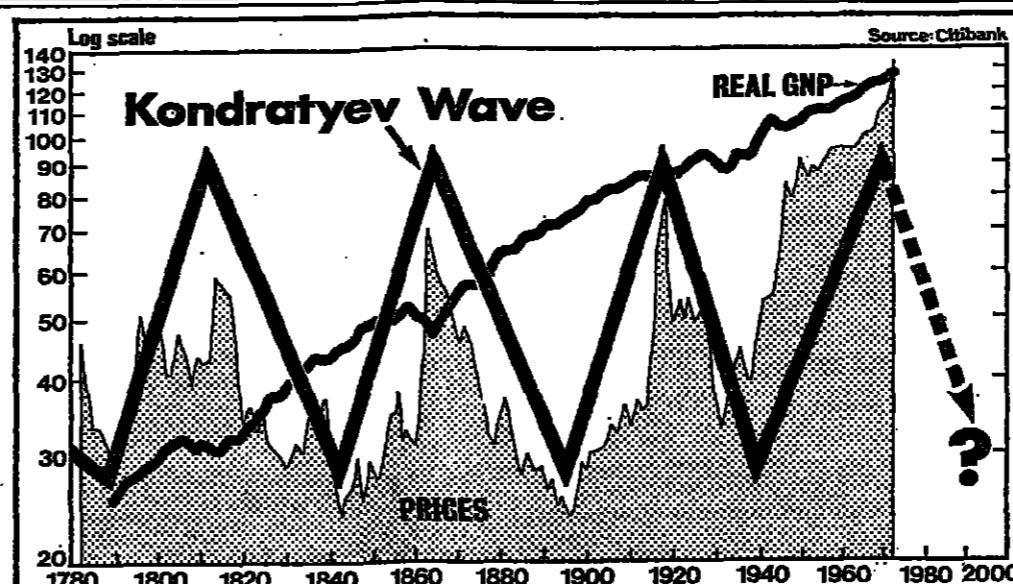
How do the anticipated benefits compare with putting your money into a building society? Very favourably, on the sums provided by the company.

For further details please ring 01-248 8000 Extn. 266

Competing interest

FOR MANY years, it was accepted that building societies catered for short-term investment and life assurance for the medium- and long-term requirements of investors. But the aim of many investors has tended to become more short-term, and life companies have moved with this lowering of investment sights, so that now they are coming more and more into direct competition for funds with the building societies.

The advent of the guaranteed income bond has heightened the competition. Indeed, at the height of the income boom, more than one life assurance manager claimed to be after exactly that money that was going into building societies. The 1974 Budget stopped massive marketing of guaranteed income bonds, but the concept is still valid today and some life companies are

BONDS
ERIC SHORT**A Phœnix arising offshore**

PROVIDING FINANCIAL protection against the risk of premature death has been only one facet of the operations of UK life companies. Another—and an important one—has been to provide a home for investors' long term savings.

But practically all of their efforts so far have been directed at the UK investor. When it came to looking for funds from overseas most life companies have been laggardly, and the expatriate investor has been almost completely ignored.

But not quite completely. For this week Phoenix International, a member of the Phoenix Assurance Group, celebrated its first anniversary.

The investment vehicle which Phoenix offers to expatriates is its Managed Dollar Fund, and investors have a choice of three plans—one involving lump sum investment, and the other two monthly.

The investment vehicle which Phoenix offers to expatriates is its Managed Dollar Fund, and investors have a choice of three plans—one involving lump sum investment, and the other two monthly.

The term of the plan is 10 years, but investors have the option to continue it for as long as they desire. There are facilities for obtaining income, pro-

vided the value of the units is at least \$2,500.

Under the 3+ Plan, the life cover is three times the annual premium and investment is 90 per cent of premiums in the first year and 105 per cent subsequently for ages under 35. At the end of three years there are various options available.

These plans can be taken out without the benefit of life cover, and under this arrangement a higher percentage will be invested in units. But the life cover, also payable in dollars, is an attractive feature of the plans, and the cost is only about 1½ per cent of the outlay.

The underlying fund into which these premiums are put invests in U.S. marketable securities: that is, common stocks, treasury or Government bonds or other fixed interest securities. Two new funds—a sterling exempt gilt fund and a dollar fixed interest fund—are also available.

All the same, there are some curious correlations between the pattern that Kondratyev predicted and events subsequent to the formulation of his theory. Notably there was the great

Long swings in economic history

THE TABLE on the left shows what has happened to wholesale prices in the U.S. since the early 1780s, and the conclusions drawn therefrom by the Soviet economist Nicolai Kondratyev (also known as Kondratyev and Kondratyev). Kondratyev's theory was that there are 50 year cycles in prices, interest rates and wages, and in business activity, with 20-odd years of expansion and inflation followed, after a decade of ups and downs, by 20 years of depression and recession. If he was

INVESTMENT
ADRIENNE GLEESON

right then life is going to become very grim in the 1980s. But was he right?

From the time that he formulated it 50 years ago, Kondratyev's theory has come under attack for both the quality of his research and the nature of his conclusions. His fellow Soviet economists naturally took a dim view of any theory which had capitalist dying by slow stages, rather than by the final crisis which Marxist doctrine requires, but they also criticised the paucity of the evidence from which he derived his first "long swing." Later critics have been dubious about his treatment of the evidence from which he derived his second long wave, and indeed about the validity of any theory which rests on the assumption that history will repeat itself—that because there have been long swings before, there will be long swings again.

But if Kondratyev's theory remains as controversial now as it was when he formulated it 50 years ago, what are those who believe that history repeats itself—or those who are merely of a pessimistic turn of mind—to do about the recession that his pattern would suggest is imminent? Find the safest job around. Cut back on commitments—refrain, in particular, from bumping up the mortgage. And, above all, get your money out of equities and into secure, high coupon, long-dated debt.

Only don't do it just yet. For if Kondratyev's critics are right, that great recession isn't going to happen.

£5.5 million. This exceptional rate of growth has owed much to the considerable support Chieftain has received from stockbrokers and investment advisers.

The Trustees of Chieftain American Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust's investments, and to check that all purchases made by the Trust are in accordance with the trust deed; to ensure that the income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Bill proposes that unit trusts will pay tax on capital gains at the privileged rate of only 10%.

When you sell units it is proposed that you will receive a tax credit of 10% against Capital Gains Tax. This means that on unit trusts you should have no tax to pay on profits up to £3,000 on sales in any one year, and your maximum liability is limited to 20% of your gain. On sales before 5th April 1979 the tax credit will be even higher if the proposals become law.

CLOSING DATE

Until 2nd June 1978, units will be available at a fixed price of 25.2p each, to give an estimated current gross yield of 15.5%. Your application will not be acknowledged, but you will receive a certificate by 14th July 1978.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

The offer will close if the underlying price of units should differ from the fixed price by more than 21.5%. After 2nd June 1978 units will be available at the daily quoted price and yield published in most newspapers.

Chieftain American Units were first offered on 4th April 1977 at 25p each.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 3.5% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-283 3933 for further details of American and other Chieftain Trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report of the fund are made annually on 1st March.

This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd, Chieftain House, 11 New Street, London EC4M 4TP. Telephone: 01-283 2652.

The Directors of Chieftain Trust Managers Ltd are: P. L. Potts, M.A. (Chairman); R. J. D. Eats, M.A., M.B.A.; J. D. Gillett, B.Sc.; I. H. A. Hazel, F.C.I.S.; A. L. F. K. Tod.

**CHIEFTAIN**
TRUST MANAGERS LIMITED**PORTFOLIO STRATEGY**

The portfolio contains about forty stocks, and will continue to be reasonably concentrated. The Managers have not confined themselves to the better known companies but have researched and purchased second-line stocks with attractive prospects.

Currently the portfolio has a particular bias towards companies in the energy sector. However, the emphasis will be shifted as conditions demand. Some Canadian stocks have also been purchased.

A COMPLICATED INVESTMENT MADE SIMPLE

Transatlantic investment has very obvious attractions, but a private individual, investing alone, would need formidable resources of capital, information and investment currency to achieve his objectives.

However, Chieftain American Trust takes the problem off the investor's hands. Your capital can be simply and efficiently invested in shares throughout the American market by full-time investment professionals.

Moreover, a trust has one facility not normally open to the private investor; that of the back-to-back currency loan alternative to purchasing investment currency through the dollar premium. At present, approximately 60% of the Trust's portfolio is invested in this way.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chieftain American Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for full details.

YOUR REASSURANCE

Chieftain Trust Managers Ltd. was established in September 1976. Its four trusts, dealing in overseas as well as UK markets, have already attracted funds worth over

APPLICATION FORM

Fill in the coupon and send it now to Chieftain Trust Managers Ltd, Chieftain House, 11 New Street, London EC4M 4TP.

1/ We would like to buy Chieftain American Units to the value of £_____ at 25.2p each. (Minimum initial holding £250.)

2/ We enclose a remittance, payable to Chieftain Trust Managers Ltd.

3/ Tick box

If you want maximum growth by automatic re-investment of net income.

If you want to know how to buy Chieftain American Units on a regular monthly basis.

If you would like details of our Share Exchange Plan.

1/ We declare that I am/we are over 18 and not resident outside the UK or Scheduled Territories or any person/s residing outside the UK or Scheduled Territories. (If you are unable to sign this declaration it should be deleted and your application lodged through an authorised depositary.)

2/ SIGNATURES IN FULL

3/ SIGNATURES (If there are joint applicants all must sign and attach names and addresses separately.)

4/ REGD OFFICE AS ABOVE, REGD NO. 740182

A Top Performing American Fund
TARGET AMERICAN EAGLE

Highlighting the best performing unit trusts in the various specialist sub-sections in 1977 the *Investors Chronicle* 14th April, 1978 stated:—

"...Target American Eagle, very much against the trend... rose 15.5% in the North American section".

Over the same period the Dow Jones Industrial Average fell 17%.

In July 1977 we announced to unitholders our intention to increase the American content by more than 15% because of the weakness of Wall Street and the dollar. The correctness of this decision is reflected in the performance compared with funds invested wholly or substantially in America over the past year.

During 1978 we have increased the U.S. content from 45% to 55%, taking advantage of the lower share prices and also because we felt that the period of relative strength of the pound against the dollar was at an end. It is our intention to increase the U.S. content still further but timing remains of the utmost importance and we

shall continue to use our discretion in this respect.

The aim of the Fund is to achieve longer term capital appreciation and we believe that the case for investing a part of your capital in North America with such an aim in mind is now very strong. Share prices, in terms of the established yardsticks are historically cheap. U.S. inflation rates are low in global terms and America is after all the largest and most advanced economy in the world.

Remember the price of units and the income from them can go down as well as up.

Your investment should be regarded as long term.

APPLICATION FORM. Please tick the box if you would like to receive a copy of the latest prospectus. Please attach a copy of the latest prospectus if you have one.

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current estimated gross annual yield 1.38%
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FT27/5

Target Funds under management in the Target Group £12,000,000

MOTORING

Through thick and thin

BY STUART MARSHALL

BRITISH PETROL. for at least a year the cheapest in Europe, driving thoughtfully, has become cheaper still in the last few weeks. Feverish price cutting and the virtual disappearance of Green Shield stamps from the filling stations so has seen to that.

In the London area, four star at between 72 and 75p, the course, is to switch to a diesel norm. Plenty of stations go below that—like the cash-only pump in Beckenham with a 71.5p sign. In Wolverhampton on Monday I filled the tank of the Datsun 280C I had on test with two star at 68p (Barclay-cards welcome, it said at the big self-service station) and four star was widely available at 70p.

This week, there has been a lot of fuss and bother in the media about BP's alleged intention to close down 500 mainly rural petrol stations. The story is antic.

For years, BP has been saying that if motorists want to buy their petrol at supermarket-type discount prices, they will end up with nothing but supermarket-type petrol stations.

Petrol marketing economics simply will not permit the present number of filling stations, some of them the motoring equivalents of the little corner shop, to survive

on its performance in due course.

But changing one's oil is easier than changing one's car. To see how a very thin lubricant affects fuel consumption, I took my Marina 1.3 estate to a garage on Tuesday. A BP technologist is attached an electronic flow meter to measure fuel consumption accurately and a member of the garage staff drove the car round a 1.51 mile test route at a normal, sensible speed. The consumption was 31.2 mpg for the first ten miles, 33 mpg overall.

Next, the engine was tuned and the sump drained and filled with 20/50 oil. This is the grade that outsells all others by a huge margin in Britain. This time the Marina did 32.6 mpg for the first ten miles (4.5 per cent better) and 35.1 mpg for the whole course (a 6.4 per cent improvement).

Finally, the 20/50 was drained and replaced by BP's LVO (for light viscosity oil). The results 34.8 mpg for the first ten miles (6.8 per cent better) and 36.5 mpg (4.8 per cent better) for the 15.1 mile circuit. Cumulative improvement was 11.5 per cent for both ten mile stages and the

With petrol so cheap and incomes said to be running ahead of the cost of living again (or so one is assured though I haven't noticed it myself) less is being heard about the need to

A five-litre can of BP's LVO is about 50p dearer than their 20/50 grade and, it has to be admitted, nearly £1 more than many of the 60 or so "own brand" 20/50 oils available in supermarkets and motorist's shops.

At present, BP is the only company selling LVO in Britain but others are thought to be on the brink of entering the market. They save fuel because their thinness when cold reduces oil drag, which consumes quite a lot of power while the engine is getting up to running temperature. The more a car is cold started and run for short distances with a half-warm engine, the greater the potential savings from LVO.

Its use is approved by all major car makers except British Leyland. Ford engines are designed around it though, curiously, Ford's own brand oil is a 20/50 simply because this is the grade that at present accounts for 95 per cent of sales.

BP has been pioneering the LVO market. The way of all pioneers is hard.

Many motorists still equate cold thickness with an oil's ability to protect the engine's moving parts at high temperatures. The fact is that a LVO of 10/30 grade and an ordinary 20/50 oil are indistinguishable when hot.

The contents of the 5-litre can one buys consist of 4 litres of oil and 1 litre of additives—and it is the chemical additives that ensure the engine is properly protected at running temperatures. The oil's function is to carry them; and very good lubricants are now being made, though not for cars, without any oil in them at all.

BP calculate that if all British cars ran on LVO lubricants, 1m gallons of petrol would be saved every day. That is the theory; how much it saves me in my Marina I will report in due course.

BP calculate that if all British cars ran on LVO lubricants, 1m gallons of petrol would be saved every day. That is the theory; how much it saves me in my Marina I will report in due course.

Usually in partnership with television, they have come to the rescue and, in the case of the first class cricket, have been a salvation.

Time to put the sport in order

THE ABSENCE of Gary Player Classic at Pinehurst, as well as sponsors in being frightened last summer, Beman suggested Championship, his brain child from the Colgate PGA championship which started in beautiful weather at Royal Birkdale Golf Club, Southport, yesterday, winners on the Ram staff here, emphasises the drastic need for the formation of an international body to sort out the world professional circuit before releases to play here this week. But there can be no arguing with the fact that this is the poorest field in the event's notable four-year history.

David R. Foster, English chairman of the Colgate-Palmolive company, pleaded with the Atlanta people and later with Deane Beman, Commissioner of the PGA tour, for Player's release, but to no avail. Eventually Foster told Player, who did not want to play there, that he would rather see the South African play in Atlanta than exercise his option not to play at all this week.

But it is no secret that Mr. Foster is bitterly upset with Beman's refusal to influence the Atlanta sponsors and also for saying that Player has never before been refused his release despite the fact that he plays only the required minimum of 15 American tournaments per year most seasons and has done very well out of the U.S. circuit.

In Foster's opinion, Beman is fast moving into a position of awesome power in professional golf.

So Colgate, which is a major benefactor of men's professional golf in the U.S., where it sponsors the \$150,000 Hall of Fame

which PGA tour members will be released, and that there will be mighty few allowed to travel abroad.

GOLF

BEN WRIGHT

which PGA tour members will be released, and that there will be mighty few allowed to travel abroad.

The Colgate chairman told me yesterday afternoon that he was frankly amazed when Spain's Seve Ballesteros, the favourite here, was offered a player's card for the U.S. by Mr. Beman without having to attend the qualifying school, while the vastly more experienced Australian, Graham Marsh, was forced to go through that tiresome, nerve-wracking ordeal.

Foster's fear is that if Ballesteros does go to the U.S. next season, Beman will have virtual control of the European circuit.

It is also no secret that when that marvellous man-about-golf, Fred Corcoran, died suddenly

in the Tournament Players' of cards.

Foster apparently infuriated Mr. Beman earlier in the year by signing up Arnold Palmer for a televised hole-in-one promotion during play in the \$300,000 Colgate-Dinah Shore Winner's Circle women's professional tournament. Palmer did not apply for, nor would have received, permission from Beman to appear at Palm Springs and it is now rumoured that the great man faces fine suspension or both.

When Beman asked Colgate to cut the ten foreign invitations for the Hall of Fame Classic to five, Foster threatened to tear up the contract for the tournament as he has done this year in direct opposition to the here at Southport it is obviously U.S. Open championship. William F. Lane, who now runs turned down Beman's appeal for governing bodies the world over automatic qualification for to put the sport's house in order Augustus for the top 20 players before it collapses like a pack

on radio and television and editorial in the Press. It fits in very well with its aggressive 25m advertising and price-cutting campaign and indicates a major drive for a good share of the market before a possible clamp down on cigarette advertising in Britain.

Whether sport, with its emphasis on good health, should actively support the planned publicising of cigarettes for money is an interesting ethical point. Cricket, tennis and horse racing have been doing this for years, arguing that the cash in their coffers has more than justified the means, but whether this argument applies equally to athletics and swimming is at least questionable.

It is easy to appreciate why the officials of these two sports are prepared to adopt a grey BAT is an efficient company which does not give away large sums of money without seeking a return. It hopes that this sponsorship, apart from goodwill, will create talking points another cigarette?

MOTOR CARS

CARS WANTED. We pay more than £1,000,000 and £50,000 should



Lester Piggott win the Derby or a British player capture a Wimbledon title. Although the total contribution could theoretically amount to £500,000, a more probable sum is £180,000, 60 per cent of which goes direct to the Sports Aid Foundation and the remaining 40 per cent to the governing body of the sport involved.

Understandably, the representatives of the chosen six are delighted. After all, here is the ideal sponsor putting up money and wanting nothing in return, apart from success in events for which the competitors are completely committed.

BAT is an efficient company which does not give away large sums of money without seeking a return. It hopes that this sponsorship, apart from goodwill, will create talking points another cigarette?

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Solutions Page 13

Betterplay B51



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CHESS

LEONARD BARDEN

ALL THE attention focused on rising chess players in their teens and twenties makes any chess player over 30 feel sometimes that he is living on borrowed time. A tournament success which, at 20, is considered as a promising augury of a budding Fischer, makes little impact when achieved by an older player.

Reshevsky is now nearing 70, but he retains splendid fighting qualities even in the strongest tournaments. Recently he was among the leaders in London for several rounds and when the U.S. zonal competition for the 1978-81 world championship series takes place later this year, he is sure to be there making yet another attempt at a place in the interzonal. Quite likely, he still cherishes a secret belief that he could beat Karpov in a match.

Reshevsky is an old master, an incomparable opening player, a quick understand- ing of how the white queen and knight can combine to attack weak squares in his opponent's position.

White: S. Reshevsky (U.S.). Black: L. Karpov (USSR). Opening: King's Indian (1. N-KB3, P-N3; 2. P-KN3, B-N2; 3. P-KN3, P-Q3; 4. B-N2, P-KN3; 5. P-Q4, P-Q5; 6. P-KN3, P-Q4; 7. P-KN3, P-Q5; 8. P-KN3, P-Q4; 9. P-KN3, P-Q5; 10. P-KN3, P-Q5; 11. P-KN3, P-Q5; 12. P-KN3, P-Q5; 13. P-KN3, P-Q5; 14. P-KN3, P-Q5; 15. P-KN3, P-Q5; 16. P-KN3, P-Q5; 17. P-KN3, P-Q5; 18. P-KN3, P-Q5; 19. P-KN3, P-Q5; 20. P-KN3, P-Q5; 21. P-KN3, P-Q5; 22. P-KN3, P-Q5; 23. P-KN3, P-Q5; 24. P-KN3, P-Q5; 25. P-KN3, P-Q5; 26. P-KN3, P-Q5; 27. P-KN3, P-Q5; 28. P-KN3, P-Q5; 29. P-KN3, P-Q5; 30. P-KN3, P-Q5; 31. P-KN3, P-Q5; 32. P-KN3, P-Q5; 33. P-KN3, P-Q5; 34. P-KN3, P-Q5; 35. P-KN3, P-Q5; 36. P-KN3, P-Q5; 37. P-KN3, P-Q5; 38. P-KN3, P-Q5; 39. P-KN3, P-Q5; 40. P-KN3, P-Q5; 41. P-KN3, P-Q5; 42. P-KN3, P-Q5; 43. P-KN3, P-Q5; 44. P-KN3, P-Q5; 45. P-KN3, P-Q5; 46. P-KN3, P-Q5; 47. P-KN3, P-Q5; 48. P-KN3, P-Q5; 49. P-KN3, P-Q5; 50. P-KN3, P-Q5; 51. P-KN3, P-Q5; 52. P-KN3, P-Q5; 53. P-KN3, P-Q5; 54. P-KN3, P-Q5; 55. P-KN3, P-Q5; 56. P-KN3, P-Q5; 57. P-KN3, P-Q5; 58. P-KN3, P-Q5; 59. P-KN3, P-Q5; 60. P-KN3, P-Q5; 61. P-KN3, P-Q5; 62. P-KN3, P-Q5; 63. P-KN3, P-Q5; 64. P-KN3, P-Q5; 65. P-KN3, P-Q5; 66. P-KN3, P-Q5; 67. P-KN3, P-Q5; 68. P-KN3, P-Q5; 69. P-KN3, P-Q5; 70. P-KN3, P-Q5; 71. P-KN3, P-Q5; 72. P-KN3, P-Q5; 73. P-KN3, P-Q5; 74. P-KN3, P-Q5; 75. P-KN3, P-Q5; 76. P-KN3, P-Q5; 77. P-KN3, P-Q5; 78. P-KN3, P-Q5; 79. P-KN3, P-Q5; 80. P-KN3, P-Q5; 81. P-KN3, P-Q5; 82. P-KN3, P-Q5; 83. P-KN3, P-Q5; 84. P-KN3, P-Q5; 85. P-KN3, P-Q5; 86. P-KN3, P-Q5; 87. P-KN3, P-Q5; 88. P-KN3, P-Q5; 89. P-KN3, P-Q5; 90. P-KN3, P-Q5; 91. P-KN3, P-Q5; 92. P-KN3, P-Q5; 93. P-KN3, P-Q5; 94. P-KN3, P-Q5; 95. P-KN3, P-Q5; 96. P-KN3, P-Q5; 97. P-KN3, P-Q5; 98. P-KN3, P-Q5; 99. P-KN3, P-Q5; 100. P-KN3, P-Q5; 101. P-KN3, P-Q5; 102. P-KN3, P-Q5; 103. P-KN3, P-Q5; 104. P-KN3, P-Q5; 105. P-KN3, P-Q5; 106. P-KN3, P-Q5; 107. P-KN3, P-Q5; 108. P-KN3, P-Q5; 109. P-KN3, P-Q5; 110. P-KN3, P-Q5; 111. P-KN3, P-Q5; 112. P-KN3, P-Q5; 113. P-KN3, P-Q5; 114. P-KN3, P-Q5; 115. P-KN3, P-Q5; 116. P-KN3, P-Q5; 117. P-KN3, P-Q5; 118. P-KN3, P-Q5; 119. P-KN3, P-Q5; 120. P-KN3, P-Q5; 121. P-KN3, P-Q5; 122. P-KN3, P-Q5; 123. P-KN3, P-Q5; 124. P-KN3, P-Q5; 125. P-KN3, P-Q5; 126. P-KN3, P-Q5; 127. P-KN3, P-Q5; 128. P-KN3, P-Q5; 129. P-KN3, P-Q5; 130. P-KN3, P-Q5; 131. P-KN3, P-Q5; 132. P-KN3, P-Q5; 133. P-KN3, P-Q5; 134. P-KN3, P-Q5; 135. P-KN3, P-Q5; 136. P-KN3, P-Q5; 137. P-KN3, P-Q5; 138. P-KN3, P-Q5; 139. P-KN3, P-Q5; 140. P-KN3, P-Q5; 141. P-KN3, P-Q5; 142. P-KN3, P-Q5; 143. P-KN3, P-Q5; 144. P-KN3, P-Q5; 145. P-KN3, P-Q5; 146. P-KN3, P-Q5; 147. P-KN3, P-Q5;

TRAVEL

And America is over there

BY PAUL MARTIN

WHEN YOU stand on Slea Head, Ireland's most westerly point, and gaze out beyond the now deserted Blasket Islands, there really is nothing between you and America. The great Atlantic rollers crash in at the foot of the massive cliffs, spouting and spuming up over the rocks in a never ceasing witches' cauldron.

Although I have visited Ireland fairly frequently this was the first time I had managed to get out to the Dingle peninsula on the jagged west coast of that most lovely island. Crossing over to Cork on the B and I night sailing from Swanage for the last time — the terminal move to Milford Haven next year — a pleasant drive, partly following the River Lee, brings you in to Dingle town, an attractive huddle of houses built around the small, sheltered harbour where blue-



Upperlake, Killarney Co. Kerry

families with generous discounts for children who have their own supper time and high chairs, etc, are provided for the tots.

A truly spectacular road from Dingle takes you over the Conor Pass, with a view of the Patermoter Lakes, and then drops down to the coast, skirting the great bays of Brandon and Tralee with miles of sandy strands before continuing to Tralee, the "capital" of the area.

Tralee is a bustling thriving town which provides all types of accommodation for holiday-makers. A charming rose garden and a small memorial in the Town Park commemorate William Bullock, the composer of the famous "Rose of Tralee," who died in the town in 1864.

The south road from Tralee, through Castlemaine and back to Dingle, hugs the shore of the bay and dedicated riders of the rollers come from all over Ireland to Inch, where over 100 Atlantic breakers pile up far out in the bay and then sweep in to the sandy shore in long, unbroken rollers.

The western part of the peninsula is an archeologist's paradise with promontory forts, ogham stones and a wealth of clochans or "bee-bee" houses. Those ancient inhabitants were

masters of dry stone building as there are a small beach and the best preserved a cafe-cum-pub out there, it is example is St. Brendan's oratory at Gallarus. difficult to find if they have not cut the fuschia hedge which hides it from the road or if the sign has blown down! Even so it is worth trying to follow the valuable and often conflicting directions received en route.

There are also still some wood and hide boats about, similar to that built and sailed by Tim Severin on his remarkable voyage to prove that the intrepid sailor-monk St. Brendan could have discovered America long before Erik the Red or Christopher Columbus.

An entire model village, complete with church, pub, school, shops and houses was built near Ventry, along the route for the filming of "Ryan's Daughter" but it has since been demolished and sheep now graze where the never-never village of Kirrity once stood.

During the summer in good weather, there are frequent boat trips from the little jetty at Dunquin out to the Blaskets, those enchanted islands immortalised by O'Sullivan in his book "Twenty Years Agrowing." Inquire at the Kruger Kavanagh bar which doubles as village shop and pub. The round trip costs about £2.50 and,

ADRESSES: 8-11 Lime, 15 Regent Street, London W1R 7PF. Dan O'Brien, 100 Grosvenor Gardens, London SW1. Irish Tourist Board, 150-151 New Bond Street, London W1Y 8AQ. Scally Hotel, Dingle, Co. Kerry, Ireland.

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"basically the idea of the book was to compile a list of out-of-the-way country places

normally frequented by the French, within a distance of the Course on the D127 Montreuil but this is open only from mid-May to mid-September at weekly half-board rates from £74. There are a nine-hole golf course, a heated swimming-pool and riding stables within the complex and the fishing in the whole area is excellent.

Whether your preference is for surfing, riding, fishing, antiquities or just relaxing and driving through the inspiring scenery, with blue seas and mountains and the gold gorse and sandy beaches between towering, spectacular cliffs, the Dingle really does delight.

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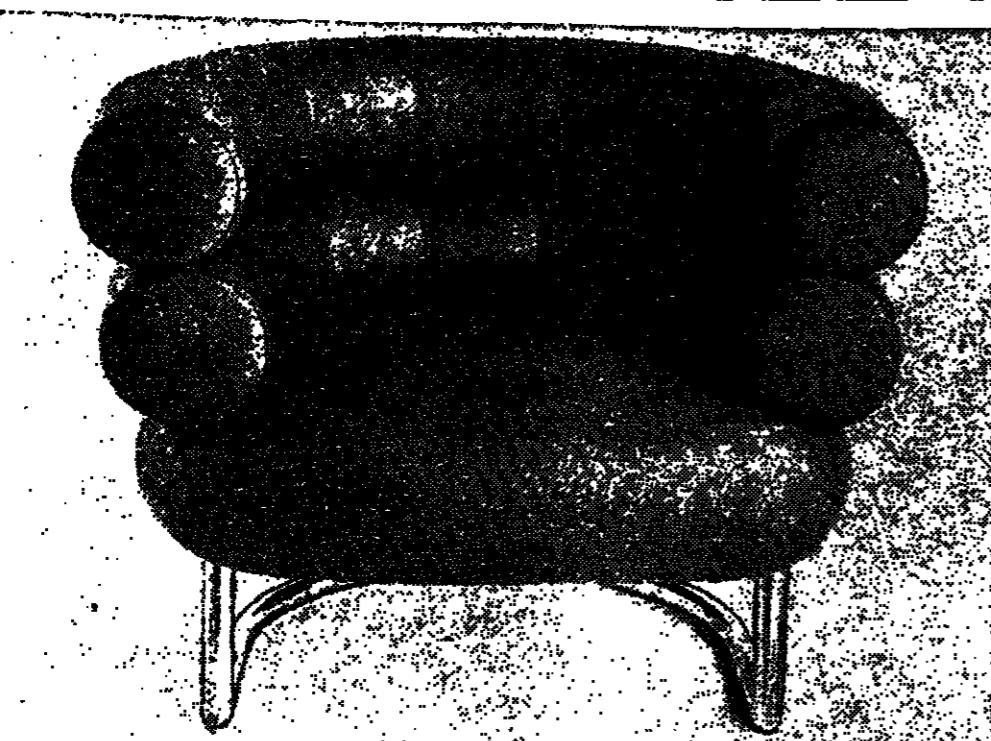
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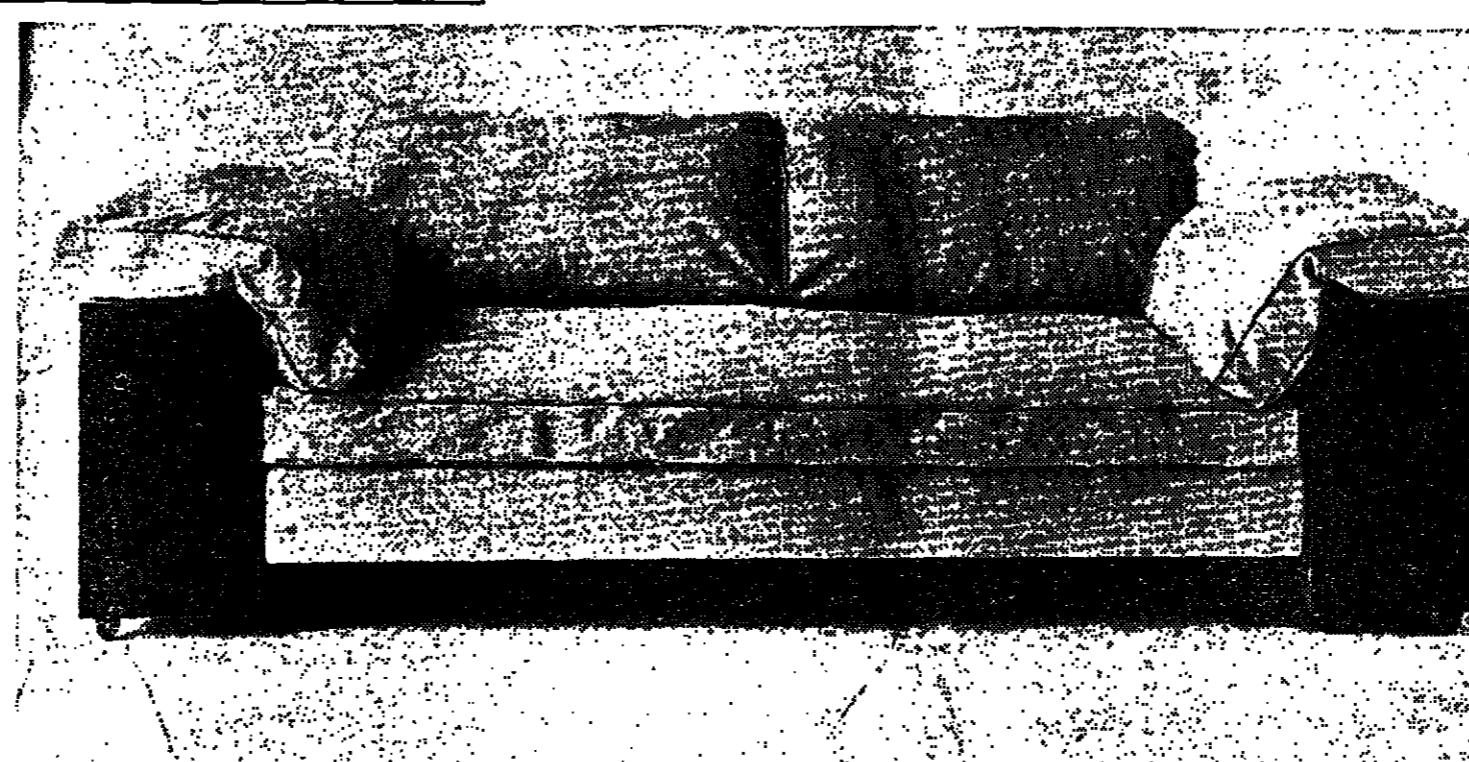
HOW TO SPEND IT



ABOVE: Simplicity coupled with great sophistication seems to me one of the hallmarks of all Eileen Gray's work. There is also about it the sort of timelessness that is the mark of really great art. This chair exemplifies almost perfectly all these qualities and when one stops to remember that this chair was designed in 1929 it seems even more remarkable. This was the time when tubular steel was just beginning to appear, when besides Eileen Gray, people like Marcel Breuer and Mies van der Rohe were also experimenting with using tubular steel for furniture. This is the chair that Eileen Gray designed originally for Suzanne Talbot and which, towards the end of her life, when she and Zeev Aram were

working on the furniture he would make, she tried to track down. Though she advertised all over France she couldn't find a single extant example. Zeev Aram and she worked from her drawings and descriptions and when she finally saw the finished version she was almost like a child with a new toy—at last, her design, had re-emerged. The base is chromium-plated tubular steel while the fully upholstered seat, back and armrests are covered in aniline leather or fabric. Alternatively, there is a very beautiful but less practical material—unbleached cotton canvas. The chair is 28½ ins high, 31 ins deep and is 36½ ins wide. In fabric it is £380.50, in leather £579.

RIGHT: This is the Lota sofa that Eileen Gray designed in 1924 and had in her own home in the rue Bonaparte in Paris where she lived from 1907 until her death. Her version was covered in burnt orange and Zeev Aram has decided to offer it in burnt orange, beige and a pale silver grey. When I asked Zeev Aram what it was that he particularly liked about this sofa he said, "Firstly, it is beautiful, secondly, it is simple and finally it is enormously comfortable—I don't think one can ask for more from one piece of furniture." However, he went on to point out that though its simplicity is its immediate appeal, on closer inspection the design reveals great subtlety. As a sofa it is very versatile. The cushions can be picked up and placed almost anywhere—there are four of them, all feather-filled, light and soft. The boxes at either side are on castors and can be detached from the sofa so that, for instance, by removing one box you can sleep on the sofa, using the other end as a bedhead. The back and front of the box are lacquered black and with the contrasting colour of the top and sides provide a fantastic prismatic splodge of colour which contrasts marvellously with the softness of the cushions. The back cushions are all finished with cross-stitching. The sofa is 33 ins high, 34½ ins deep and is 94½ ins long. In fabric it is £1,168 plus VAT.



Cooking with Philippa Davenport

To end a summer's meal with bowls of strawberries (or raspberries, redcurrants or other soft fruit) and an accompanying jug of thick, fresh cream is a delectable treat—but an expensive one. Served "au naturel" you need no less than one and a half pounds of top quality fruit and half a pint of cream for four.

Here are some ideas to turn fruit which is sometimes sold to such quantities, or when you've had your fill of plain and redcurrants need to be rubbed through a fine nylon sieve to extract woody pips, but stretch them further for the slightly blowzy flavour of over-ripe fruit can be enhanced by the use of citrus juice and/or zest—additions which also work equally deliciously.

In most of them, the fruit is reduced to a purée so you can safely use the slightly over-ripe

flavour of immature fruit.

THREE FRUIT CASSATA serves six to eight

Home-made ices are an excellent means of showing off the fresh flavours of soft summer fruit, and the sculptured shape of a cassata makes a particularly handsome party piece. Although somewhat time consuming to prepare and assemble, cassatas are, in fact, very easy to make. It is best to make both the ice-cream and the water ice a day ahead. If you have sufficient freezer space, it is worth making double or more quantities of each while you are at it so you can stash some away ready to enjoy another day.

To make the ice-cream, make a rich custard with the egg yolks and cream. Put the strawberries into a liquidiser together with the icing sugar (and the zest of an orange if the fruit is either very over- or under-ripe) and blend to a purée. Add the custard and blend again. Turn into an ice tray, cover and freeze, stirring occasionally during the first hour or so if possible.

About two hours before start-

ing to assemble the cassata, put a 1½-pint pudding basin into the freezer—the colder the basin the easier it will be to mould the ice-cream to it.

Turn the ice-cream into a mixing bowl. Break it up and beat it with a wooden spoon until the consistency is firm but workable, then use it to coat the entire inside surface of the chilled basin with an even layer. Start

at the base and gradually work up the sides towards the rim, moulding and mellow flavours a little. Decorate with a few pieces of reserved fruit or dribble a few spoonfuls of lemon juice together with the fruit purée. Turn into an ice tray, cover and freeze for five minutes.

To make the water ice, boil the sugar and water with lemon zest to make a syrup. Cover and set aside to infuse. Strain when cold and stir in one tablespoon lemon juice together with the fruit purée. Turn into an ice tray, cover and freeze for five minutes.

STRAWBERRY MOUSSE serves four to six

A creamy, textured, well-flavoured mousse which is quickly made and far from extravagant. The trick is to caramelize strawberries with a banana—don't be tempted to use two bananas and only 1 lb strawberries or your ruse will be plain to all!

Slice the banana and put it into a liquidiser together with the sugar, orange zest and all but two or three of the straw-

berries. Blend until reduced to a smooth purée.

Measure 3 tablespoons orange juice and 1 tablespoon lemon juice into a small pan, sprinkle on the gelatine and leave to soak for five minutes then melt

Recognition at last for a great designer

If you look carefully at the Corbusier, worked closely with famous and most photographed furniture pictured here and try to name the year in which it was first designed I don't think anybody, except the real experts who know about it, would get within 10 years of the right date.

The sofa, for instance, looks so like those simple, seductively soft ones that the Milan furniture show was so full of last year.

The chair, in its sophisticated exploitation of tubular steel, is the sure way in which the curves of upholstery have been organised, looks as if it might have come off last, or even this, year's top class production line.

The small side-table may perhaps give the game away, for that does have the highly stylised look

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ARTS

Tristan at Covent Garden . . .



Roberta Knie and Jon Vickers

Tristan und Isolde returned to Covent Garden on Thursday with a heroine altogether new to this theatre—the American soprano, Roberta Knie—and a hero who has not sung this role there before—Jon Vickers. Miss Knie is well-known in Germany, where she was a Brünnhilde at Bayreuth in the Ring centenary year, in Austria, and in the U.S. She is tall and handsome, she moves with grace and authority, she looks at once imperious and warmly human. As with her Bayreuth Brünnhilde, one feels she is thoroughly inside the role but that the voice is not fitted to do everything required of it.

An extra effort such as the curse at the climax of Isolde's narration leaves traces of strain. While the tenor easily and often exquisitely rides the orchestra, the lower part of the range is unsubstantial.

Never mind; acceptable Isoldes are not at any time so common that one can afford to underrate an artist who can so easily surmount the physical side of the

Tristan's attendant, Kurwenal, is truly sung by Donald McIntyre, but though he provides admirable support for Tristan in the last act, the part no longer lies very comfortably for his voice. There is a sonorous, velvety-toned King Mark from Gwynne Howell; oddly enough it is in largely static roles like this one, where little action is needed, that Mr. Howell's limited capacities as an actor, especially his inhibited arm movements, are most exposed. Among the small parts Thomas Allen's Melot and Paul Crook's shepherd make immediate and vivid impact.

The major distinctions of the evening, however, come from the extraordinaire of Jon Vickers and from the conductor of Colin Davis, marking a further significant stage in his conquest of Wagner. Mr. Vickers starts quietly; if there were nothing else to remark on, one could still single out his Tristan as an object lesson in the grading of the three acts of holding back without weakening the tension—some unwise and insufficiently equipped tenors are virtually down and out before they have even begun to scale the peaks of the last act. Yet even he is, so to speak, bidding his time. Mr. Vickers invests every utterance with latent, monumental power, with a charge of suppressed electricity, with sudden gleams of warmth and singing lyricism.

There is about this performance a sense of moral fervour and inner conviction hard to describe—the moral quality somehow continues to shine through even after the drinking of the potion and Tristan's consequent enslavement. Mr. Vickers starts by resembling a lion. From the moment of the fatal draught he becomes a lion disguised as Beethoven. The third act is tremendous. Tristan's awesome sufferings, spiritual and physical, are portrayed with the all-or-nothing ferocity of a Wolf, though without the actor-manager's streak of hamboyanse. Heaven forbid that younger singers lacking this artist's versatility should imitate such externalism as the notes ejaculated in single, rough gasps—unless they can also

to answer for it.

The role of this misguided companion is sung by Josephine Veasey, dependable as ever, and touch of genius should try to her warnings from the watchtower during the love-duet producing a line of great beauty, gags—unless they can also

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ARTS/COLLECTING

Fun with Herbert Farjeon

Herbert Farjeon who was sister Eleanor both went on to become successful authors like Gerald Frow (Radio 4, May 19), had the perfect combination of talent for theatrical success. His mother was the daughter of a famous American actor; his father Bert Farjeon was Jewish but had broken free of the orthodox faith, went around as a young man in the goldfields of Australia and New Zealand before returning to London to become a prolific and popular novelist of the late Victorian era. Mama sang Plantation Songs to the little Farjeons and Father read aloud to them from Austen and Dickens. The theatrical establishment straddled their childhood; people like Henry Irving, Charles Wyndham, H. J. Byron, and they were intimate friends of Pons, and they were generous with complimentary tickets for their shows.

"Bertie was the youngest of four children; they were all gifted. By the age of seven they were scribbling away, composing stories, plays and poems, preserved in the family's manuscript book. His brother, Joe Jefferson (Mama's maiden name), and his

first song to hit the headlines was one he wrote for Elsa Papa. Eleanor's children's books Lanchester to sing at parties. "I danced with a man who danced with a girl who had danced with the Prince of Wales." It was included in *Many Happy Returns* at the Duke of York's Theatre in 1928 sung by Mimi Crawford.

Uproar followed at the royal name being taken in vain, though Farjeon had in fact cleared it with the Palace. Never mind he had at last got his eye in as a writer of songs and sketches from this point until his death he played many long elegant innings at the Little Theatre and elsewhere, eventually under his own management. The Farjeon tradition survived him for a while. There was after all still Sandy Wilson to come in to bat and wag the tail. The last truly Farjeon-esque revue I ever saw was Michael Codron's *Pieces of Eight* at the Apollo Theatre in 1959 with Kenneth Williams in the form of a narration spoken by Michael Simee and Farjeon's own words smoothly uttered by Peter Barkworth. But naturally the best material for that was the meat of the programme was contributed by two writers then not biography but Farjeon's work virtually unknown called Peter Cook and Harold Pinter, suggesting to the horror of his editor, to having fallen asleep during *Othello*. Later he wrote Dillys Laye, Hugh Paddick, Peter Reeves, Tricia George among craft from the likes of Farjeon.

RADIO

ANTHONY CURTIS

Hampstead but when the day of decision dawned he went on the boards and toured the states from Pennsylvania to North Carolina with his uncle's troupe.

The experience cured him of any desire to act in public and he too turned to trying to live by his pen. He became a sub-editor on *Answers* before the first world war and later drama critic of the *Daily Herald* confessing to the horror of his editor, to having fallen asleep during *Othello*. Later he wrote Dillys Laye, Hugh Paddick, Peter Reeves, Tricia George among craft from the likes of Farjeon.

John Nash, a minor master

John Nash died last year at the age of 84, having painted on almost to the end. By that time his particular distinction was already recognised, his reputation having grown significantly in recent years. Even so, his work is still less widely known than it deserves to be, and this excellent memorial show at the New Grafton Gallery (until June 14), a selection from the work left in his studio at his death augmented by a few loans and covering his entire career, should help in that direction.

The trouble has been, of course, that John's life as an artist was instigated by his more

ART

WILLIAM PACKER

talented and variously gifted brother Paul, and inevitably he lived in the shadow of his reputation, though he survived him by some 30 years. It is hard that the one should suffer by the excellence of the other, rather more so than had he been less natural a disciple. And it would be wrong to emphasise too strongly the similarity of their work. Though their early work was close in spirit, and certain technical characteristics were always shared, the same fondness for water-colour, the same rather dry and chalky use of oil paint, John, taking a narrower and quieter path, soon asserted himself as his own man. His subject was always the English landscape, and, though he travelled widely, the feeling for the landscapes familiar to him dominates the several phases in his work, the Thames



John Nash: Study for "Over the Top"

Valley and the Chilterns in his and his modesty would laugh at the presumption to call him an infantryman in the Great War, and one of the very best works to come out of the War Artists scheme, I taught with John Nash, for a few years, at Chester School of Art, and he once told me that he was certain that his brother Paul's success, early in 1918 and after many months of trying, in getting him a War Artist's Commission, saved his life. His own long life's work makes us all grateful for that happy intervention.

In the Summer Show of 1918, he illustrated many notable books and folios, dealing with plants of many kinds. To call him a great artist would be to overstate his case, borrowed from the Imperial

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Serious work at Cannes

No casual visitor to the cinema's annual jamboree-by-the-sea could mistake Cannes for anything other than a town

of the fevered throes of Festi-

valitis. The symptoms are evident and everywhere: a lurid

rash of advertising covering the face of the town, a sea-front

filled with people in dress, talk,

business deals or between-films

hurry, and sporadic clusters of

journalists and photographers

gathered round some news

recently happening. This year's

first headline-stealing event was

the appearance of American

starlet Edy Williams posing full

frontal for photographers on the

Carlton Hotel terrace. Elsewhere

champagne parties, topless (and

bottomless) cavoring on the

Croisette, and other goings-on

dear to the myth-makers of

Cannes have been rarer than

usual; taking second place to the

busy schedule of films.

A fascinating selection these

promise to be. The star attractions

of the Main Competition so far

have been Rainer Werner Fassbinder's *Despair*, Nagisa

CINEMA

NIGEL ANDREWS



Isabelle Huppert in "Violette Nozière"

Oshima's *Ai No Bori* and Claude Chabrol's *Violette Nozière*. Not quite masterpieces, these are nonetheless irresistibly lively films, each making a new and intriguing change of direction for their makers.

Despair is Fassbinder's first non-German film, starring Dirk Bogarde and with an English screenplay by Tom Stoppard based on a Nabokov novel. Bogarde plays a Russian ex-patriate living in 1930s Berlin who has a weakness for what one might call "voluntary schizophrenia." He keeps imagining that an identical alter ego is watching him at work, at play or in bed (with his plump, pretty wife, Andrea Ferro), and far from fearing these manifestations he becomes drawn, almost addicted to them. When pressure of the pre-Nazi times and professional despair (he runs an ailing chocolate factory) encourage him to throw off his middle-class life and begin anew he goes out, finds a seemingly perfect "double" (Klaus Löwitsch) and attempts to fake his own death by killing the chosen man.

The macabre joke is that the double looks nothing like Bogarde (except his eyes), and it is only a matter of time and of rueful comic suspense before the police track him down and arrest him just when he thinks he is embarking on a New Life. The joke is not quite enough to sustain the whole film, alas, and the mixture of Stoppard's wittily convoluted dialogue and Fassbinder's roccoco camerawork is so over-rich that aesthetic repletion comes well before the end. But there are fine moments—mostly provided

by the plethora of rear-

ing phallic symbols—but the

is triumphantly in evidence

by Sven Nykvist, photographing

in a style that is

as nervous as

it is

triumphant. The film is

stronger on raw emotion again here.

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Saturday May 27 1978

Conflicting forces

IT IS a matter for argument a qualified kind. The markets whether the distinction often were upset at the time of the drawn between the behaviour of the "real" economy and the public borrowing by the size of the proposed in the financial sector is of much practical value. So far as investors are concerned, at any rate, it is some years now since equities were regarded as an adequate hedge against rapid inflation. Certainly there are factors—the performance of output and profits, for example, and dividend controls—which affect equity rather than gilt-edged prices; but they are no longer overriding. Until inflation is permanently brought down to a much lower rate than in the recent past, equity investors cannot afford to ignore what is happening in the gilt-edged market.

Even the "real" economic news of the week, as it happens, has not been altogether encouraging. The most cheerful item on the schedule is a 1 per cent rise in the real value of gross domestic product during the first quarter of 1978. After a period of stagnation, this is a relatively sharp and significant improvement. It confirms the upward trend already reflected in the index of industrial production and in the statistics of retail trade and personal consumption. It makes a welcome contrast, too, with the somewhat gloomy view of the industrial situation presented in the latest report by the Confederation of British Industry.

Capital spending

But even this long-awaited increase in national output needs to be qualified. First, while the gloominess of the CBI's latest report had more to do with the future. Second, the figures on capital investment by manufacturing industry during the first quarter show a marked fall. Investment intentions have been holding up remarkably well until now, but the trend may now be changing in the direction of industrial confidence—quite apart from special factors like the investment cuts made by the British Steel Corporation. Third, the further decline in unemployment and increase in unfilled vacancies reported this week are much more marked than might have been expected in the first stage of a business recovery, while their political importance is not to be denied, the suspicion must linger that they are due to some special circumstances like the government's various job-creation schemes.

On the financial front, by contrast, there was no news of even

Grey areas of the white goods sector

BY MAX WILKINSON

OF ALL the industries which have been marked out for special attention under the Government's industrial strategy, the domestic appliance business—or the "white goods sector" as it is known—should, on the face of it, provide one of the most promising areas for action.

The number of manufacturers is relatively small, the problems are easy to identify and there is general agreement among managers, trade unionists and government officials on what the objectives for the next few years should be.

However, agreement reached in a committee room overlooking the river Thames is only the barest preliminary to the detailed efforts needed if the industry is to recover its lost ground.

The white goods sector will therefore provide an important test of whether the Government's strategies are more than just talk. One important question is whether the Government itself will understand the way in which past policies have inhibited the growth of the domestic appliance industry and encouraged imports.

Now, the industry's main effort must clearly be to push back imports, particularly cheap imports, of washing machines and refrigerators from Italy. It may do this partly by increasing efficiency and by taking up the slack in plant which is at present under-used.

But the most urgent need is to increase productive capacity in two areas where British manufacturers have sadly failed to anticipate an expansion of consumers' demand—the markets for automatic washing machines and for two-door refrigerator-freezers.

It seems, at first sight, strange and depressing that the speed of change from old-fashioned washing machines to front-loading automatics, the main companies were Zanussi, Igini, Indesit and Candy. They had by 1967 the advantage of a domestic market of 1.36m. units, about twice the size of that in the UK. Although government policies were favourable, there is no doubt that the enterprise and marketing drive of the Italian industry created its own domestic demand.

Meanwhile, in Germany, the largest white goods market in Europe, the influx of cheap mass-produced Italian goods caused the domestic manufacturers—led by AEG, Siemens/Bosch and Bauknecht—to retreat strongly up market where they concentrated on high quality and extra features at prices perhaps 50 per cent above those of imports. Partly because of the natural prejudice of Germans against imported goods, and partly by vigorous marketing, the German manufacturers managed to retain the majority of domestic sales and to match imports with a healthy volume of exports.

Even now the industry is labouring under the disadvantage of a higher "luxury" VAT rate of 12.5 per cent, which manufacturers claim is helping to depress demand and, they

For this reason, German pro-

duction has about matched the size of its home market, though because of the high quality, the value of exports has tended to be higher than that of imports.

Indeed, the present rather depressed state of the UK white goods industry can be traced back to the penalties imposed by successive governments (including purchase tax of up to 80 per cent) and the contrasting expansionist policies elsewhere in Europe, particularly in Italy and West Germany.

In the early 1960s, when British domestic appliances were still highly taxed the Italian and German governments decided to stimulate their industries by a combination of low sales taxes and direct industrial incentives.

Their industrial strategies were perhaps less formalised than those now being attempted in the UK, but the general lines of approach were not dissimilar.

In Britain, manufacturers had less success against imports partly, no doubt, because they started from the base of a more depressed home market. In 1969, for example—when UK

sales of washing machines were 625,000 units, sales in Italy had

reached 1.4m. in France, 1.3m.

and Germany, 1.8m.—Britain

was still outside the Common

Market, and the Government

still regarded washing machines and other white goods as "luxury items" for which demand could be restricted whenever the economy became "overheated."

There was, therefore, little incentive for either of the two leading companies in washing machines—Hoover and British Domestic Appliances, controlled by GEC (Hotpoint)—to make the major investments in product development or marketing which would match their European competitors.

Indeed, several UK manufacturers actually started to help Italian imports through "vendor branding," by which Italian-made machines were sold under a British trade mark. This practice, which continues, is one of the main targets of the Government's industrial strategy. It aims to persuade manufacturers and retail chains to buy from British sources whenever possible.

At present about 40 per cent

of all imported domestic

appliances are vendor-branded

by UK manufacturers them-

selves. They are thus directly

marketing the products of their

competitors. This is a particu-

larly sore point in the case of

automatic washing machines,

where imports have captured

half of total sales.

Until recently, even the

nationalised electricity boards

were selling Italian-made

machines under their own

brand label.

GEC-Schreiber has just dis-

continued its policy of import-

ing the cheaper range of Hot-

point washing machines from

Zanussi in Italy, but Thorn—

which does not itself make

washing machines—continues to buy its Beldix range from abroad. This practice of vendor branding has, however, become widespread throughout the Con-

tinental and is perhaps an inevitable response to the huge volumes pouring out of highly automated plants in Italy. It is odd, perhaps, that AEG, whose market image is of German-made high quality, in fact makes its largest sale in the UK with a washing machine made in Italy by Zanussi.

AEG, in common with Philips, had early adopted a policy towards the Italians of "if you can't beat them, buy them." Philips bought control of Igini and AEG took a 20 per cent share in Zanussi, which it has just recently announced it is going to sell back again.

AEG's withdrawal from a stake in Italian manufacture probably reflects a general change in the commercial climate which has made the going tougher for the Italian companies and now gives perhaps some moderate hope for expansionist ambitions in the UK.

The main change is that after the expansionist phase of the 1960s the market, particularly for refrigerators, is beginning to approach saturation. Consequently, Italian manufacturers, who have had difficulty in using all their capacity, have been caught with high overheads. Prices at the low end of the market have, therefore, been depressed as manufacturers struggled to keep up production levels. German, and to some extent French, manufacturers were somewhat insulated from this movement because they were concentrating on the more expensive section of the market. British manufacturers, who were trying to match the Italians for price and had generally failed to achieve quality or superior quality, were badly hit by the movement. They lost market share and saw their margins badly reduced at the same time.

Fortunately not all companies suffer from all these problems. But there is little doubt that in general, conditions in British factories are well behind those of their better foreign competitors.

Improved productivity will, however, have to be combined with a nimble and more attacking approach to new markets which are emerging in Europe as a whole.

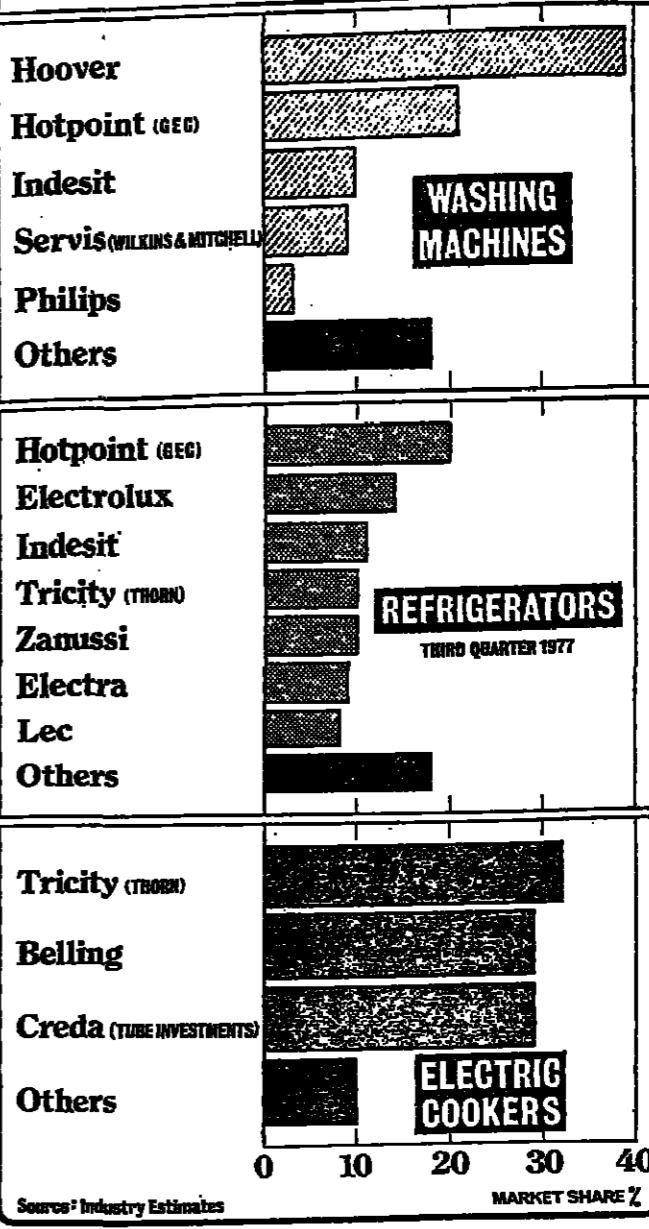
Otherwise, the industry will once again lag behind the market for new products which are beginning to emerge. Dishwashers, which are mainly imported, provide one example; microwave ovens, dominated by Japanese and U.S. producers, are another. Both markets are still small and slow to take off in the UK. Dishwasher sales are only 120,000 units a year.

Hoover in Merthyr Tydfil and Thorn, which acquired tooling from Alpi in Italy, are both intending to make dishwashers. This could prove to be a very large market since only 2 per cent of British households have dishwashers compared with about 10 per cent in France and Germany and nearly 40 per cent in the U.S.

If they don't, it is clear that the domestic appliance industry runs a serious risk of following the fate of the motor-cycle manufacturers which were pushed so far out of the volume market that they lost their business altogether.

Financial Times Saturday May 27 1978

U.K. DOMESTIC APPLIANCES MARKET 1977



Sources: Industry Estimates

MARKET SHARE %

of the new UK investment will be the introduction of more up-to-date automated equipment in an industry which still suffers from old-fashioned plant in cramped and inconvenient buildings. Indeed, the improvement of conditions and attitudes to work will clearly have to be given a high priority if any investment strategy is to succeed.

Fortunately not all companies suffer from all these problems. But there is little doubt that in general, conditions in British factories are well behind those of their better foreign competitors.

However, the development of ceramic hobs, separate built-in ovens and now microwave units, opens the possibility of a marked amount of foreign trade which either could benefit British manufacturers, or once again catch them napping. Thora, certainly, is planning to start microwave oven production and is already exporting a relatively small volume of split level units.

To reduce import bills to the target set recently by the NEDO Sector Working Party, production of automatic washing machines will have to be doubled, output of fridges freezers will have to be increased by three times, and of freezers by 60 per cent.

To achieve this formidable objective the industry must steer a clever course between the mass produced bottom end of the market and the German-style high quality products which are probably too expensive for the British consumer. Manufacturers will have to educate customers to pay a little more for service, quality reliability and extra features and make sure that only a minority of the market is left for the very cheapest products.

If they don't, it is clear that the domestic appliance industry runs a serious risk of following the fate of the motor-cycle manufacturers which were pushed so far out of the volume market that they lost their business altogether.

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FT27/47/1978

Letters to the Editor

Rating

Mr. D. Cullen
Sir—I am interested to read in letter (M. 20) from Mr. Williams, the director of the Chartered Institute of Public Finance and Accountancy. He is, I believe, and correctly the author of the present rating system. The basis of it would be to pay the same amount of tax which is not easily avoided and is comparatively small.

I am not sure if it would not be a desirable that it would remove the burden of the house where one person has to pay the same amount of rates as a neighbour in a similar house with say up to half dozen wage earners. This would be quite a simple tax to collect with the rate demand and those liable to pay it are already known to the local authority through the rates list. It would encourage the payment of rates by those who do not have the means to check the accuracy of the statement made.

Furthermore, how does the water authority justify such increases in times of restraint? R. W. Thirkell.
3, Clifton Road,
Alexandra Park, N.22.

Innovation

Mr. C. Bingham Dore
Sir.—The message of Christopher Lorenz's article on product innovation (April 28) was that Britain is becoming less and less innovative. But the only criteria we come to this conclusion were research and development expenditure and patenting in the U.S.

R. and D. expenditure may be decreasing in real terms, but the article appears to ignore (and perhaps the Science Policy Research Unit does too) the fact that UK royalty incomes have been increasing. The fact that UK patents granted in the U.S. are going down in spite of increasing UK royalty incomes could cover several aspects.

Patents are being found less important by UK innovators (could it not be that they have recognised what innovators from other countries have missed that is just not true for a very high proportion of the public?)

To a mathematician in the London Borough of Enfield, with a rateable value of £190, the annual charge for sewerage for 1977/78, which is lightened enough to licence the general rate but which will not be collected in this way, the R. and D. done by others? This

would be reflected to the disadvantage of the balance of the licensing account but would not be a saving in R. and D. expenditure. UK industry is turning out to a few basic simple procedures which would be a bad idea.

Mr. B. Williams
12, Ebrington Road,
West Bromwich,
West Midlands.

Children

From Mrs. E. Harrison
Sir.—Joe Rogaly is right (May 23) in thinking that everyone would be better off if mothers of young children refrained from taking jobs.

The growing equality of women, while of undoubtedly benefit to them legally and financially, has had some sad effects upon our children.

While a few mothers have been able to make adequate provision for the welfare of their children during their own absence at work, very many more have not.

Encouraged by law, most insidiously by the one which assures new mothers of their jobs back after a pregnancy, many women have put their right to work above the right of their small children to a mother's attention and concern.

We are seeing some of the effects of this today in the

Political football in Argentina

By HUGH O'SHAUGHNESSY in London, and ROBERT LINDLEY in Buenos Aires



Scotland World Cup Captain Bruce Rioch and full back Willie Donachie relax on their flight to Buenos Aires. A helmeted soldier wearing battle fatigues (right) guards the World Cup Stadium in the Argentine capital.

SOMEWHERE BEHIND a swirling fog of politics an international football championship will be starting in Buenos Aires next week. Whatever sporting records are broken in the course of the matches it is clear that the World Cup 1978 will go down as the most highly politicised tournament that has ever been seen.

It was fated to be so from the beginning. Buenos Aires was selected as the venue when Argentina had a Peronist government and from that moment the Argentinians knew they had an opportunity to obtain a victory in the field of political public relations and, as least as importantly, to demonstrate that they were a better organised and more sophisticated race than their diplomatic and sporting rivals, the Brazilians. General Juan Domingo Peron the President, declared that the event would show that Argentina was a "world power."

After the coup d'état of March, 1976, when the chaotic government of his widow, María Estela Peron was overthrown by the military, the new president Lieutenant-General Jorge Rafael Videla was not slow to realise the political benefits the World Cup might bring him.

In the space of just over two years, he calculated, he could have liquidated the Peronists and the Left and be in a position to exhibit an image of a pacified Argentina united in gratitude to his firm but just rule. And Argentina could also be seen to outshine the Brazilians.

To that end he committed large quantities of money to preparations for the World Cup and retained a public relations consultancy in New York to push the message home that his country was new, stable and

Weekend Brief

It's a man's world Ma'am

ALTHOUGH the Queen is not known for crashing social barriers, her recently announced visit to the Gulf oil states next year will certainly set some precedents in the area. Her tour is scheduled to take her to Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, Iran and Oman. Except for the case of Iran which she visited in 1961, all of the countries have little, or no experience in dealing with a female Head of State.

In Saudi Arabia particularly, the protocol implications of the Queen's visit will no doubt tax the Arab experts of the Foreign Office for some months to come. Considered by many to be the Kingdom of male chauvinism, Saudi Arabia imposes strict standards of conduct on women who live there, and virtually bars visits by working business women. (They make it so difficult, most give up trying.)

Women in Saudi Arabia are not allowed to drive a car, get in a taxi alone, leave by plane without a male relative or even travel by bus. Social customs also bars tiny cotton dresses, sleeveless blouses or any other "immodest" styles. More often than not, life in Saudi Arabia for a woman means perspiring in a dress up to the neck and down to the ankles. "That would be most appropriate." Another scholar of the Royal visit will be pointed out that it should also be different. Nevertheless, the King's protocol advisors will highest figure in Islam, King Khaled may feel it not quite will not only be meeting the suitable to shake hands overseer of the richest kingdom (Muslim sheikhs in some sets in the world, but that King are forbidden even to shake hands with a woman other than Khaled, in his position of

Guardian of the Holy Places, is the highest authority in the religion of Islam.

As there is no precedent, perhaps the experiences of other women visitors to the country may give some helpful indications. A former British woman minister who visited the country some years ago, said that she felt obliged to perform her day time official visits in long evening dress — "the kind you wear on a chilly English summer evening — but without the decolletage."

When Mrs. Rosalyn Carter visited with husband Jimmy last year, she found herself unable to travel with her husband in the same car and obliged to walk a few steps behind him and his royal Arab hosts. When she got back to the U.S., her pique was quickly picked up by women's liberation groups and glib political columnists alike. Mrs. Nixon, too, found herself one step behind Mr. Nixon when they stopped off in the royal kingdom in 1974. The Saudis had mapped out an entirely separate ceremonial programme for her. As the former woman minister commented "I was staggered how naturally they appeared to handle me. There were no traces of embarrassment at all. It seems that they have one code of treatment for their own women, and another for other people's."

It's an ill wind . . .

The current argy-bargy between London and Buenos Aires on the future of the Falkland Islands, Britain's remote possession off the coast of Patagonia, has done wonders for the value of the colony's banknotes.

Intrigued by the diplomatic storm which hangs over the islands, collectors are eager to lay their hands on specimens of the notes which circulate among the 1,800 islanders in what must be one of the world's smallest economies. As a result materials in the intervening

barbar in December, 1976, planning—and pushing for—added force to the surge of terminals in the late 1960s. But opposition. Legislation banning the politics of energy, as practised in California, stalled all progress. Today, in mid-1978, the projected start-up date of any facility at Pendleton is 1985; that of a terminal at Point Conception, 1982.

The licensing process—130 federal, state and local permits required—could take more than three years. Given the political and bureaucratic tug-of-war over the terminal's siting, it almost certainly will. All this, the gas companies complain, when studies indicate that the chances of an accident are remote—millions to one.

Environmentalists are not satisfied. They point out that there has already been one major LNG disaster: in 1944, 2m gallons spilled from a ruptured tank, forming a cloud over the city of Cleveland. It exploded into a huge fireball, killing 128 people. But that is the one major black mark on the record of this deep-frozen (−260°F), condensed and easily transportable energy source.

But safe or unsafe, LNG is the problem is older than the Brown administration, on which coming, somehow, many Californians blame the to this most gas-dependent state. The explosion of an oil tanker, the *Southern California Gas*, began

in California is facing what could be its most serious energy crisis to date—a shortage of natural gas. Within three years, unless additional supplies are found quickly, the nation's wealthiest state could be hit, as one gas company executive puts it, by an "economic earthquake."

The direct predictions are that between 700,000-800,000 Californians would be thrown out of work (costing \$33m in lost wages alone) and that 200,000 small businesses now relying on gas would be crippled.

Environmental groups dismiss this as power company propaganda. But the administration of Governor Jerry Brown warns that as California's traditional sources of gas in Texas and the mid-West dry up the danger is real enough.

The answer, almost everyone agrees, is the building of a huge liquefied Natural Gas terminal off the Southern California coast to handle imports of LNG from Indonesia and Alaska.

What no one can agree on is where to place the \$800m facility. "Our task," said Mr. Joseph Bodovitz, head of California's Coastal Commission, last January, "is to find the least bad site." Now, in May, the Commission's experts think they

have found it: Camp Pendleton, a vast Marine Corps base some 80 miles south of Los Angeles, where miles of virgin beachfront off-limits to the public, is empty in the sun.

Like every other community in California faced with the prospect of an LNG terminal in its backyard, the military strongly objects. Navy and Marine Corps brass have declared war on the Coastal Commission. The terminal—bringing risks of spills, pollution, even a catastrophic explosion—would be, they protest, a danger to troops, a maritime hazard interfering with manoeuvres, a threat to the base's ecology "which for many years we have diligently preserved."

From an original list of 82 possible sites along the 1,100 mile California coast, five have survived the bureaucratic environmental mill. That short list does not include Los Angeles harbour, the first choice of the gas companies involved.

Although LA's city fathers agreed to lease land for the 100-acre terminal more than a year ago, vehement protests from homeowners led to state intervention. The explosion of an oil



has not got colour TV yet. The best seats are on sale at up to £23 while standing room is available at some games for no more than £1.50.

The idea suggested by members of the pro-Falklands lobby at Westminster that fans might do nothing but good by wearing T-shirts bearing some slogan like "Keep the Falklands British" was dropped when it was pointed out that such action could well bring about extremely ugly scenes in Argentina.

For the moment everything is in the balance. If things go well for General Videla the matches will pass off cleanly and harmoniously, the fans will behave themselves, the police will rein themselves in, international incidents will be avoided and foreign journalists will not go round the country trying to unearth their own particular political stories.

If things go badly for the Foreign and Commonwealth Office has been hard at work trying to ensure that the visit of between 500 and 1,000 Scottish supporters goes off as well as possible. Officials are under no illusions about the incidents which could take place if the contingent over-reacts either to victory or defeat.

Special consular facilities have been laid on and the FCO is doing its best with the help of travel agents to register the name of every fan due to be attending. At the same time the PCO, commenting on the political ramifications of the World Cup, said the other day: "I'm afraid this is one we can't really hope to reported to be making their own way to Argentina by car, bicycle and submarine.

Though there is no immediate dispute between Scotland and the last word should perhaps go to the Argentine novelist Jorge Luis Borges. He called the World Cup a "catastrophe." A D100m contract for the Argentina similar to the case overseas transmission of black and white and colour TV has been awarded to a German company through Argentina itself Falkland Islands, the British soon be over."

Economic Diary

SUNDAY—Mr. A. Wedgwood Benn Washington for two-day NATO THURSDAY—Prime Minister expected to discuss world trade with President Carter in Washington.

Lord President of the Council, at Hamilton by-election meeting.

MONDAY—Negotiations between the European Community and government in Moscow, the EEC will be represented by vice-president Haferkamp and Comecon by Mr. Nicolai Fadovey, secretary general, UK team in Oslo for talks on additional air services to and from Scandinavia by British independent airlines. National Association of Head Teachers Conference, Brighton.

TUESDAY—Prime Minister in India gold auction.

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WEDNESDAY—Hamilton by-election. Public inquiry opens at County Hall, London, into the British Airport Authority's application for planning permission to build fourth terminal at Heathrow.

THURSDAY—Prime Minister addresses United Nations conference. U.K. official reserves (May), Capital issues and redemptions (May), National and Local Government Officers' Association special conference on pay policy, Central Hall, Westminster.

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COMPANY NEWS + COMMENT

Capital & Counties on way back with £3m.

FURTHER IMPROVEMENT in the recovery seen at half-time was achieved by Capital & Counties Property Company in the second six months of the year to March 25, 1978, for the company to finish with taxable revenue of £3.07m compared with a deficit of £3.2m. To the total, property investment contributed £2.1m (loss £2.05m) and trading activities £0.96m (loss £2.17m).

At mid-year when there was a recovery from a loss of £1.06m to a surplus of £0.26m, the directors said the revenue results would benefit fully from the Knightsbridge and Victoria Centre transactions, and would therefore show a worthwhile advance in net income from property investment.

The capital account for the year however, showed deterioration in the position reported at half-time when there was a taxable surplus of £3.48m against a deficit of £3.48m. With regular results of £2.05m, losses £2.05m, trading £0.96m and unrealised losses at £0.96m, profit £1.51m, the full-time capital profit was £2.35m against a deficit last time of £1.78m.

After tax of £0.66m (credit £1.5m) the advance at the net level in the capital account was from £0.05m to £1.47m and basic earnings per share came out at 25.2p (10.4p per share).

Tax on revenue took £1.32m (credit £1.51m) and earnings per 25p share emerged at 2.05p, against losses of 3.8p. At half-way a net final dividend of at least equal to the interim payment of 1.5p was forecast. In the event the final is 1.5p compared with 0.1p for 1976-77.

At year-end borrowings totalled £22.9m, of which £15.4m were long-term and 7.5m short-term, and short-term deposits and cash amounted to £14m.

The directors state that the conditions precedent to the sale of the Hamburg site have now been satisfied and continuing all talk about it has stopped. As a result, short-term borrowings will be further reduced to about £7.00m.

An independent professional valuation of the investment portfolio on an open market basis at March 25, showed a £10.4m surplus—an increase of some 16 per cent.

Total shareholders' funds, re-stated to reflect a change in the basis of valuation of properties to open market value, were up from £53.4m to £59.7m equivalent to 70p (40p) per 25p share.

ALTHOUGH profits of Jenks and Cattell for the half-year ended January 31, 1978, show a 38 per cent advance to £15.00m, they reflect the very adverse trading conditions in the period, the directors stress.

And they anticipate that year-end profits will be marginally up on the £44.0m/35% achieved in 1976-77, although sales may again be slightly below the 27.5m.

Reviewing the half-year, Mr. Arthur Cattell, chairman, says Jenks and Cattell (Furnishings) has reduced to a three-day working week the six weeks in the early autumn because of problems at customers' premises; and Jenks and Cattell (Washers) has continued to trade in the hard and frustrating manner suffered last year.

Jenks and Cattell (Edge Tools) and Jenks and Cattell (Gardens Tools) performed as planned until the end of January, but the half-year has started to produce a significant start in the selling season. He expects the final results from them will be about the same as last year.

Mr. Cattell says there has been a fall or an increase in recent months so the group has not been able to utilise the additional capacity created last year, and is unable to do so until general improvement in the national economic business climate.

Planning for the one-for-four split issue, the interim dividend is being paid on 0.40p to 0.43p net per 25p share, or 10.4p per share. This year ordinary shares will receive a semi-p to 10.4p net preference shares, total dividend for 1976-77 was £1.625p.

ALEX. HOWDEN INDEBTEDNESS

The full rights issue document from Alexander Howden reveals that the group's total indebtedness at April 30, 1978 stood at £19.5m.

Results due next week

A fair spread of companies is due to report results in the Stock Exchange next week—first quarter profits are expected from British Petroleum and London Reed International and an interim from

other results to note are Norgrena Foods (interim, Tuesday), Castle and Chemical Products (midweek, Thursday), Charterhouse Group (interim, Thursday), Morgan Crucible (first quarter, Thursday) and UBM Group (final, Thursday).

Analysts expect British Petroleum will report a significant drop in first-quarter 1978 results compared with the first three months of last year. The company has signalled an intention to retain EPB and this will necessitate a restatement of last

quarter.

FINAL DIVIDENDS

At a Parade of Shareholders, British American Tobacco Holdings (Capital) Ltd., Chancery Lane, London, 1978, the directors declared a final dividend of 10.4p per share, or 25p per share, and that the final dividend for 1976-77 will be 1.625p.

Capital & Counties (Property) Ltd., 100 Chancery Lane, London, 1978, the directors declared a final dividend of 1.5p per share, or 3.8p per share, and that the final dividend for 1976-77 will be 0.1p.

John Cattell & Sons (Furnishings) Ltd., 100 Chancery Lane, London, 1978, the directors declared a final dividend of 1.5p per share, or 3.8p per share, and that the final dividend for 1976-77 will be 0.1p.

John Cattell & Sons (Washers) Ltd., 100 Chancery Lane, London, 1978, the directors declared a final dividend of 1.5p per share, or 3.8p per share, and that the final dividend for 1976-77 will be 0.1p.

John Cattell & Sons (Gardens Tools) Ltd., 100 Chancery Lane, London, 1978, the directors declared a final dividend of 1.5p per share, or 3.8p per share, and that the final dividend for 1976-77 will be 0.1p.

John Cattell & Sons (Edge Tools) Ltd., 100 Chancery Lane, London, 1978, the directors declared a final dividend of 1.5p per share, or 3.8p per share, and that the final dividend for 1976-77 will be 0.1p.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Tenneco has made its move for outright control of Albright and Wilson by making a £97.8m. bid for the 50.2 per cent of the equity not already owned. The 165p per share cash offer is considered to be inadequate by the Albright Board, which considers that the bid fails to account for the company's potential and is to seek better terms from Tenneco. The rationale behind the bid is Tenneco's wish to fully participate in any benefits accruing to Albright following further development and the view that the company is generally thought to have better prospects than most other chemical companies at the moment.

Dana Corporation is bidding 145p a share to gain full control of Turner Manufacturing, the U.K. commercial gear box company. Directors of the Wolverhampton-based company together with minority interests have accepted in respect of a 17.9 per cent stake and are recommending the offer to other shareholders.

Greencall Whitley has launched a £19.1m. agreed bid for James Shipstone, the Nottingham-based brewers, which only six weeks ago successfully defeated a £13.8m. bid from Northern Foods. Shareholders are being offered eight Greencall shares plus £18.30 for every five Shipstone shares.

Johnson Group Cleaners, which was subject last year to an abortive takeover bid from rivals Sketchley, is now on the takeover trail itself, and has agreed terms with Capital and County Laundries. The 150p cash offer is assured of success as acceptances representing 60 per cent of C. and C.'s capital have already been pledged.

Unigate has emerged as the mystery suitor of Carding Group, the Midlands motor distributor. The agreed offer of 20p in cash per share matches the suspension price, and values Carding at 14.6m. Carding holders will also be entitled to Unigate's final dividend.

A move seen as a logical extension of its involvement in the construction industry, W. and J. Glossop has made a 95p cash per share offer for the equity of Wettern Bros. not already owned. Glossop currently owns about 25 per cent of the Western capital and intends to make a suitable offer to the preference shareholders.

Petford is to proceed with its 30p a share bid for W. Henshall; this despite the fact that Bowbourne, which owns just over 50 per cent of Henshall, has declared that it will not accept the offer.

Industrial Equity has bid 200p a share for St. Kitts (London) Sugar which had been on the verge of going into voluntary liquidation.

English Property Corporation, the country's second largest property group with a £702m. international portfolio, is in takeover talks with an unnamed Continental group, while the £80m. bid by Hepworth Ceramic for H. and R. Johnson-Richards Tiles lapsed within hours of the offer officially closing on the announcement that the proposed merger had been referred to the Monopolies Commission.

Company bid for	Value of bid per share*	Market price*	Price before bid (fn't)*	Value bid (fn't)*	Final bid	Acq'ree date	Bidder
Prices in pence unless otherwise indicated.							
Albright & Wilson	165*	184	123	97.34	Tenneco	—	
Capital & County	150*	148*	97	1.57	Cleaners	—	
Carding Group	150*	151*	29	4.82	—	—	
Capital & County	165*	170	170	2.82	H. & R. Johnson-Richards	—	
Customson	20*	22	154	1.05	Molony Inv.	—	
Harrison	97*	93	90	113.71	Harrison	—	
Malaysian Estates	—	—	—	—	Crossfield	—	
Henshall (W.)	20*	27	18	0.50	Bowbourne	—	
Henshall (W.)	20*	27	21	1.75	—	—	
KCA Inv.	25*	254	28	7.98	Mr. T. Ward	—	
Kings Inv.	60*	56	581	5.44	Jove Inv.	—	
Lond. Auct. Inv.	148*	133	123	11.14	Colonial Mutual	—	
Young	—	—	—	—	Lifc	15/6	
Lond. & Liverpool	21*	23	19	0.52	Aschheim Secs. & Trust	—	
Marler Estates	25*	29	21	0.88	Blade Inv.	—	
Mill Masters	200*	193	163	4.23	Hilleshog AB	—	
Osborn (S.)	99*	99	97	7.98	Aurora	—	
Pork Farms	675*	666	467	22.72	Niture Foods	—	
RKT Textiles	98*	92	721	78.64	Rob. Kitchen	—	
St. Kitts (London)	200*	196	170	0.78	Industrial	—	
Turner Manuf.	145*	138*	124	14.50	Equity	—	
Walker Sons & Co. (UK)	91	85	34	0.41	Anglo-Indonesian	5/6	
Wettern Bros.	95*	93	58	1.80	Plastics	—	
Wheatheath Dist.	205*	193	168	31.43	Lifecare	—	
Young Ansten	83*	83	66	3.4	Trafalgar	—	
Young	—	—	—	—	House	—	

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. || Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 25/5/78. §§ At suspension. §§ Estimated. §§ Shares and cash. §§ Based on 25/5/78.

Figures in parentheses are for corresponding period.

Dividends shown net unless otherwise stated.

* Adjusted for any intervening scrip issue. † First quarter. ‡ For nine months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£'000)	Earnings* per share (p)	Dividends* per share (p)
Advance Laundry	Dec. 31	3,350 (3,250)	3.8 (3.1)	1,852 (1,858)
Allied Leather	Dec. 31	1,247 (896)	26.4 (20.4)	5,795 (5,445)
Ayrshire Metals	Dec. 31	671 (70)	0.89 (0.89)	3,000 (3,000)
B. Ar. Film	Mar. 31	14,200 (12,500)	52.2 (45.8)	8,633 (8,441)
British Syphon	Dec. 31	1,038 (954)	12.4 (10.6)	3.0 (3.0)
Brunnford Gp.	Mar. 31	815 (677)	12.5 (10.5)	3,785 (3,415)
Courtaulds	Mar. 31	53,700 (50,100)	11.1 (10.1)	7,000 (6,776)
David G.	Dec. 31	1,000 (900)	2.4 (2.0)	1,198 (1,198)
Eastern Produce	Dec. 31	7,161 (2,576)	33.4 (22.2)	4,355 (N/A)
Exchange & Genl.	Mar. 31	142 (134)	6.1 (5.5)	4,936 (4,432)
Fin. Art Devs.	Mar. 31	2,117 (1,763)	11.4 (10.2)	5,415 (4,545)
Fine Art Group	Mar. 31	4,721 (3,818)	4.9 (4.4)	1,835 (1,201)
Fluor	Dec. 31	4,500 (4,000)	27.3 (22.4)	2,949 (2,681)
Freight Ass'd.	Mar. 31	6,000 (5,450)	7.9 (7.1)	9.9 (6.9)
Keyser Ullmann	Mar. 31	824 (2,802)	1.5 (1.1)	N/H (N/H)
Lamont	Dec. 31	162 (35)	1.39 (—)	0.3 (0.1)
Leisure Caravan	Feb. 28	1,940 (1,580)	10.2 (8.2)	2,676 (2,261)
Levi's Northam	Dec. 31	1,000 (925)	2.5 (2.2)	2,655 (2,555)
London Atlantic	Mar. 31	604 (387)	3.07 (1.94)	3.0 (2.01)
Miford Docks	Dec. 31	1,181 (1,186)	1.0 (1.4)	2,685 (2,685)
Ministed Assets	Dec. 31	7,685 (7,219)	9.51 (8.84)	3,555 (3,272)
P. & S. Newspl'r	Apr. 1	1,925 (1,364)	10.7 (8.2)	3,135 (2,856)
New Thompson	Mar. 31	925 (881)	1.1 (1.0)	1,544 (1,201)
Polymark	Dec. 31	1,000 (920)	1.9 (1.8)	1,100 (1,000)
William Press	Dec. 31	9,560 (7,390)	8.8 (7.4)	2,723 (2,475)
Pritchard Servs.	Jan. 1	2,178 (1,669)	6.1 (3.6)	1,485 (1,344)
Francis Summer	Dec. 31	709 (1,090)	1.9 (3.7)	0.78 (0.705)
Time Products	Jan. 31	3,240 (2,929)	28.1 (18.6)	1,677 (1,570)
Transport Paper	Dec. 31	1,140 (1,070)	1.0 (0.9)	2,055 (2,055)
Wace Group	Dec. 31	133 (122)	6.3 (6.2)	1.1 (1.0)
Wormaulds Wtcr	Feb. 25	97 (518)	1.3 (N/A)	N/H (N/A)

Company	Half-year to	Pre-tax profit (£'000)	Interim dividends* per share (p)
Allied London	Dec. 31	490 (440)	0.586 (0.586)
Anglo Rubber Grp.	Mar. 31	15,490 (14,390)	1.12 (1.12)
Avon Rubber	Apr. 1	2,376 (2,492)	4.0 (4.0)
Bass Charrington	Apr. 8	36,200 (35,500)	1.8 (1.8)
BOC	Mar. 31	2,200 (5,100)	1.65 (1.65)
Thomas Borthwick	Mar. 31	1,950 (1,950)	2.4 (2.4)
Caravans Int'l.	Feb. 28	1,000 (900)	2.2 (2.2)
Connaught	Mar. 31	1,264 (1,263)	0.33 (0.33)
Crystallite Pledge	Mar. 31	237 (192)	N/H (N/H)
James Denys	Feb. 28	212 (194)	1.412 (1.412)
Dobson Park	Apr. 4	6,248 (4,907)	1.5 (1.5)
Fluidair	Mar. 31	4,833 (3,281)	0.988 (0.988)
General Whitley	Mar. 31	4,972 (4,236)	1.331 (1.331)
Hovis	Mar. 31	2,201 (1,241)	1,564 (1,564)
Howden	Apr. 1	643 (1,204)	1,313 (1,313)
House of Fraser	Apr. 30	1,390 (810)	— (—)
ICL	Mar. 31	18,000 (18,000)	2.86 (2.86)
K. Shoes	Mar. 31	15,800 (15,000)	0.90 (0.75)
Leys Foundries	Mar. 31	1,001 (812)	1.05 (1.05)
McCaughan Motors	Mar. 31	287 (278)	1.5 (1.25)
MEPC	Mar. 31	4,411 (3,970)	1.5 (N/A)
Metall & Eng'g Co.	Mar. 31	439 (352)	0.5 (0.5)
Muirhead	Mar. 31	852 (652)	2.0 (2.0)
Phoenix Assur.	Mar. 31	7,000 (6,900)	— (—)
Plaxtons	Mar. 31	863 (357)	1.75 (1.5)
Ransome Hoffman	Mar. 31	1,600 (1,220)	1.44 (1.44)
Redgrave Glass	Apr. 2	1,788 (1,663)	3.25 (3.25)
Spencer Clark	March 31	55 (122)	0.06 (0.06)

(Figures in parentheses are for corresponding period.)

Dividends shown net unless otherwise stated.

* Adjusted for any intervening scrip issue. † First quarter. ‡ For nine months. L Loss.

Offers for sale, placings and introductions

Barnet Corporation: £5m of 12½ per cent redeemable stock 1987 at 98p per cent.

British Car Auction: Placing of 2m ordinary shares at 41p each raising £788,000.

INTERIM

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Consortium provides \$100m loan for Emirtel

By John Lloyd

A LOAN of \$100m provided by an international consortium of 41 banks for Emirtel, the telecommunications authority for the United Arab Emirates, was agreed in London yesterday.

The loan, which is the second \$100m eurodollar loan to be raised by the authority within a year, is on a floating rate over eight years, at 1 per cent over market rate for the first two years and 2 per cent above for the last six years.

Emirtel, now claiming to be the fastest-growing telecommunications authority in the world, plans to increase its present telephone count of around 50,000 to 400,000 by 1982. In addition, it plans on 16,000 telex lines by the same year from a present level of 3,000.

The authority is 60 per cent owned by the UAE Government, the remaining 40 per cent being held by two UK state-owned companies, Cable and Wireless and International Aeradio. The share held by the UK companies will be decreased to 20 per cent in January 1979.

Emirtel will go out to tender for electronic exchanges within the next few months. The largest part of the capital investment—around 50 per cent—will be earmarked for external line plant

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Oerlikon-Buehrle expects slower 1978 sales growth

BY JOHN WICKS

TURNOVER of the Swiss conglomerate Oerlikon-Buehrle with a very good business situation would show a further increase this year, according to chairman, Dietrich Buehrle. However, in the high growth rate of recent years would not be able to be repeated, he told a Press conference of parent undertaking Oerlikon-Buehrle Holding AG in Zurich.

In 1977, group sales rose by 15 per cent to SwFr 2.68bn, excluding turnover of the Bally shoe concern taken over last year but not yet consolidated. While turnover prospects must be viewed "rather cautiously" for this year, the flow of new orders in the first months of 1978 indicated a continued development. For the Bally group, sales and profit figures were expected to be of about the level of the two previous years "though targets for 1979 will definitely be much higher."

With regard to the anticipated slowdown in sales growth, Dr. Buehrle drew attention to the Zurich itself. Oerlikon-Buehrle exchanges supplied by the UK company of Plessey to fully electronic, digital exchanges which are not yet manufactured in the UK.

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Dutch insurance rights issue

BY MICHAEL YAN OS

THE Utrecht-based insurance company AMEV proposes a Pls. 5.5m (\$2.4m) rights issue. The new ordinary shares will be issued on a one-for-ten basis at a price to be fixed later. The new shares will qualify for the 1978 dividend payments.

The company also states that net earnings amount to Pls 17.4m in the first four months of this year, compared with Pls 15.6m in 1977. Turnover advanced 28 per cent to Pls 67.5m. The results of the newly acquired U.S. insurance company Time Holdings were consolidated for the first time.

The AMEV Board added that earnings for the whole of 1978 were expected to rise by 15 per cent. They amounted to Pls 71.4m in 1977, compared with Pls 69.7m the year before. Turnover amounted to Pls 189.9m last year against Pls 149.6m.

The Dutch Economics Ministry did not grant financial aid to Macintosh, Holland's largest clothing industry (part of the DSM, the state-owned chemicals group). The decision means that the government was committed to maintain part of the

are in jeopardy. The company expects the

transatlantic divisions to show a profit this year. Although European business should improve it would remain in the red. The Limburg Province, had asked for divisions heavy transport will Pls 5.5m which was needed to cover lower results.

Transavia, KNSM's charter airline company, should enjoy improved results this year. And down the request since the shipping company—was still a profitable enterprise. The Macintosh chairman, Mr. G. J. Beijer, said the company was unlikely to make a profit this year and that profits in earlier years had been partly the result of aid grants.

The Dutch unions have protested against the Economic Minister's decision. They said the company's tattered earnings slid by a dramatic 53 per cent to Y3.83bn from Y3.15bn, while those of C. Itoh plummeted by 79 per cent to Y1.13bn from Y1.53bn.

The Dutch Economics Ministry is to review its policy on sugar. The company expects the

from the group's sugar refinery, Malayan Sugar Manufacturing Berhad, while the parent company reported pre-tax profits of 1.3m ringgit, compared with 375,000 ringgit a year earlier.

The fact that the group's profits are up despite a fall in turnover from 140.5m ringgit to 135.9m ringgit indicates that the group is continuing to enjoy the benefit of low prices for imported raw sugar, and high prices of domestic refined sugar.

The company said that the fall in turnover was the result of increased production by rival refiners.

However, Perlis Plantations' 11,000 acre sugar cane estate has recovered from last year's drought, and an improved cane output is expected during the current harvesting season.

AP-DJ

Sharp growth at Perlis Plantations

BY WONG SULONG

PRE-TAX PROFITS of Perlis Plantations in the first half of 1978, rose to 13.3m ringgit (US\$5.5m) from 7.83m ringgit for same period last year.

The bulk of the profits came from the group's sugar refinery, Malayan Sugar Manufacturing Berhad, while the parent company reported pre-tax profits of 1.3m ringgit, compared with 375,000 ringgit a year earlier.

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AP-DJ

MARKET REPORTS

BASE METALS

COPPER—Sharply higher in active trading on the London Metal Exchange in morning-only dealings. The strong position of London's market, with news that Kennecott is to review its producer price system and base its selling price on the Comex spot price, saw forward prices rise to a new record high.

The price peaked at £265m in the rings but settled up again on the kerb to close at £197.5m, about £50 higher on the day.

Amalgamated Metal Trading reported that in the morning cash wobras traded at £170, NLB three months £191, NLB 9m £205, NLB 12m £215, NLB 15m £215, NLB 18m £225, NLB 21m £235, NLB 24m £245, NLB 27m £255, NLB 30m £265, NLB 33m £275, NLB 36m £285, NLB 39m £295, NLB 42m £305, NLB 45m £315, NLB 48m £325, NLB 51m £335, NLB 54m £345, NLB 57m £355, NLB 60m £365, NLB 63m £375, NLB 66m £385, NLB 69m £395, NLB 72m £405, NLB 75m £415, NLB 78m £425, NLB 81m £435, NLB 84m £445, NLB 87m £455, NLB 90m £465, NLB 93m £475, NLB 96m £485, NLB 99m £495, NLB 102m £505, NLB 105m £515, NLB 108m £525, NLB 111m £535, NLB 114m £545, NLB 117m £555, NLB 120m £565, NLB 123m £575, NLB 126m £585, NLB 129m £595, NLB 132m £605, NLB 135m £615, NLB 138m £625, NLB 141m £635, NLB 144m £645, NLB 147m £655, NLB 150m £665, NLB 153m £675, NLB 156m £685, NLB 159m £695, NLB 162m £705, NLB 165m £715, NLB 168m £725, NLB 171m £735, NLB 174m £745, NLB 177m £755, NLB 180m £765, NLB 183m £775, NLB 186m £785, NLB 189m £795, NLB 192m 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NLB 759m £2695, NLB 762m £2705, NLB 765m £2715, NLB 768m £2725, NLB 771m £2735, NLB 774m £2745, NLB 777m £2755, NLB 780m £2765, NLB 783m £2775, NLB 786m £2785, NLB 789m £2795, NLB 792m £2805, NLB 795m £2815, NLB 798m £2825, NLB 801m £2835, NLB 804m £2845, NLB 807m £2855, NLB 810m £2865, NLB 813m £2875, NLB 816m £2885, NLB 819m £2895, NLB 822m £2905, NLB 825m £2915, NLB 828m £2925, NLB 831m £2935, NLB 834m £2945, NLB 837m £2955, NLB 840m £2965, NLB 843m £2975, NLB 846m £2985, NLB 849m £2995, NLB 852m £3005, NLB 855m £3015, NLB 858m £3025, NLB 861m £3035, NLB 864m £3045, NLB 867m £3055, NLB 870m £3065, NLB 873m £3075, NLB 876m £3085, NLB 879m £3095, NLB 882m £3105, NLB 885m £3115, NLB 888m £3125, NLB 891m £3135, NLB 894m £3145, NLB 897m £3155, NLB 900m £3165, NLB 903m £3175, NLB 906m £3185, NLB 909m £3195, NLB 912m £3205, NLB 915m £3215, NLB 918m £3225, NLB 921m £3235, NLB 924m £3245, NLB 927m £3255, NLB 930m £3265, NLB 933m £3275, NLB 936m £3285, NLB 939m £3295, NLB 942m £3305, NLB 945m £3315, NLB 948m £3325, NLB 951m £3335, NLB 954m £3345, NLB 957m £3355, NLB 960m £3365, NLB 963m £3375, NLB 966m £3385, NLB 969m £3395, NLB 972m £3405, NLB 975m £3415, NLB 978m £3425, NLB 981m £3435, NLB 984m £3445, NLB 987m £3455, NLB 990m £3465, NLB 993m £3475, NLB 996m £3485, NLB 999m £3495, NLB 1002m £3505, NLB 1005m £3515, NLB 1008m £3525, NLB 10

ESTOCK EXCHANGE REPORT

Investment interests curtailed by political uncertainty
Equities and Gilts drift but Australian mines strong

Account Dealings Dates

Options
*First Declara- Last Account
Dealing Day
May 15 May 25 May 26 Jun. 7
May 20 Jun. 8 Jun. 9 Jun. 20
May 20 Jun. 22 Jun. 23 July 4
* "Now time" dealings may take place from 9.30 a.m. two business days earlier.

Electoral speculation following the Liberal withdrawal of their part in the current Parliament session restrained investment in the stock market yesterday. Holiday indifferences also dulled sentiment. Only the Australian mining sector was singled out for attention and most of this centred on Northern Mining, which has diamond interests in the Kimberley area. Reflecting sizeable speculative support MN rose to 153p before closing; a net 22 higher at 155p.

Howden down again

Still unsettled by Thursday's surprise announcement of a proposed 28m rights issue, Alexander Howden receded 6 to 189p for a two-day relapse of 19, while other Insurance Brokers continued to lose ground in sympathy. Sedgwick Forbes dipped 10 to 385p, and C. E. Heath shed 6 to 272p. Composites moved in a similar direction, with the exception of 5 of 250p on further consideration of the first-quarter figures. Royals lost a similar amount to 355p and Guardian Royal Exchange and Sun Alliance both gave up 6 to 220p and 322p respectively.

Prevailing economic uncertainties, including the possible re-imposition of cost restrictions on bank lending made for renewed dullness in the major clearing banks. Quotations, however, closed a few pence above the day's lowest following Lloyds' decision to follow NatWest's lead and increase their personal and other loan interest rates. The former touched 270p before closing 3 lower at 277p, while the latter closed only 2 cheaper at 270p. Barlays ended 2 lower at 355p, before 330p, and Midland finished 5 down at 365p, after 360p. Elsewhere, Antony Gibbs were favoured in Merchant Marine and closed 4 to the good at 45p.

Breweries closed slightly easier following a light trade. Bass Charlton, at 185p, gave up a penny of the previous day's gain of 5 which followed the better-than-expected interim report. Building issues closed steady to a shade easier after a small trade, but secondary issues provided the main gains. Carringtons, featuring Richard Tiley, eased 5 more to 100p on the reference of Newpoth Ceramics' offer to the Monopolies Commission, and A. Monk closed 7 lower at 25p on lack of developments regarding a potential bid. In contrast, Midland put on 10 to 110p in bid rumours and Western Brothers firmed 2 more to 97p on consideration of the approach from W. J. Glasson.

Initially easier at 354p, ICI improved 6 to 359p, then closed 10 of 200p on further consideration of the quarterly results but was still 10p down at 360p. Elsewhere, Enalon Plastics dropped 8 to 48p following the bearish interim statement. **Freedmans higher**

Lending Stores tended to drift lower in thin trading. Marks and Spencer, however, displayed resilience and held at the overnight

level of 143p, after having risen 264p respectively, while Pilkings investment currency market, the over the previous two sessions had shed 3 to 475p, as did Boots, 8 per cent. Yesterday's trade. British Home declined 5 pence with Thursday's conversion factor was 0.8513 to 195p and Gossies "A" shed 4 to 190p. Beecham eased to 274p. Elsewhere, still drawing strength from the chairman's encouraging remarks, Freemans (London) put on 4 more to 326p. Caravans International gave up 3 to 27p, for a two-day reaction of 3 after the chairman's warning

that movements in Electricals were usually limited to a penny or two that second-half profits will not

decline of 25 to 245p in old speculative capital.

English Property rose 7 to 48p, Guthrie hardened 3 at 305p; the after 5p, on news that discussions are taking place that might lead on June 8.

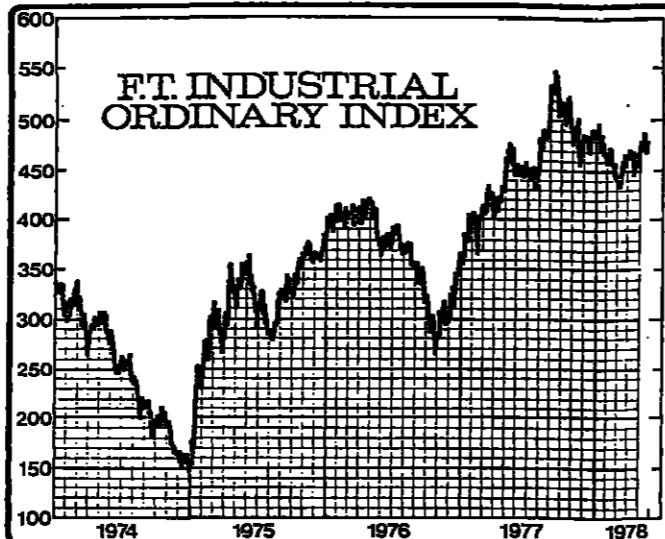
Over. Div. Yield... 6.55% 5.62% 5.56% 5.59% 5.62% 5.61% 5.15%

Earnings Y/(e)(p)(f) 16.32 16.70 16.88 16.98 17.04 17.02 17.08

Dealing marked... 5,568 4,479 4,657 4,933 5,240 5,646 6,249

Equity turnover £m... 88.52 84.87 86.68 82.46 85.33 70.41 12.500

Equity bargains £m... 16,599 15,18 13,314 14,084 15,054 12,500



either way, but Dale Electronics match the comparable period last year. Exeter on the other hand, rose 6 to 169p following comment to fall 10p, to 163p, to 165p, while the gainers were 2 to 32p in response to the nearly-doubled annual profits of 54p. Reliance had 5 to 25p. Recent investment and speculative favourite John Brown encountered early profit-taking and eased to 320p, but then picked up late on renewed demand to close at 340p.

Following confirmation of the agreed takeover from Dams Corporation, dealings were resumed in Turner Manufacturing, which opened at 138p and closed at 136p compared with the pre-suppression price of 124p. Reliance was marginally harder at a 1978 peak of 5p, while other small-priced issues to attract interest included Brown Bros. up 5 pence more to 265p, and A. E. Smith, hard at 205p. Heron Motor 10 per cent convertible were marked up 21 points to a 1978 peak of 173p, while York Traders, a dull

market, which had closed 2 to 64p, and 50 following the sharp contraction in interim earnings. Associated Fisheries figured prominently in losses, losing 5 to 35p in active trading as recent speculators liquidated. Reliance had 6 to 184p. Linford, first market of late on yield considerations, eased 3 to 135p. Proceedings in Supermarkets were featured by the performance of Hillards which closed 13 to the good at 246p on vague bid rumours. Trust Houses Forte finished 3 cheaper at 265p behind an announcement that the company's application for an increase in rates for hotel rooms is to be investigated by the Price Commission.

Associated Fisheries, which had closed 2 to 64p, and 50 following the bearish interim statement.

Frederickson higher

Lending Stores tended to drift lower in thin trading. Marks and Spencer, however, displayed resilience and held at the overnight

level of 143p, after having risen 264p respectively, while Pilkings investment currency market, the over the previous two sessions had shed 3 to 475p, as did Boots, 8 per cent. Yesterday's trade. British Home declined 5 pence with Thursday's conversion factor was 0.8513 to 195p and Gossies "A" shed 4 to 190p. Beecham eased to 274p. Elsewhere, still drawing strength from the chairman's encouraging remarks, Freemans (London) put on 4 more to 326p. Caravans International gave up 3 to 27p, for a two-day reaction of 3 after the chairman's warning

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Over. Div. Yield... 6.55% 5.62% 5.56% 5.59% 5.62% 5.61% 5.15%

Earnings Y/(e)(p)(f) 16.32 16.70 16.88 16.98 17.04 17.02 17.08

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Equity turnover £m... 88.52 84.87 86.68 82.46 85.33 70.41 12.500

Equity bargains £m... 16,599 15,18 13,314 14,084 15,054 12,500

FINANCIAL TIMES STOCK INDICES

	May 25	May 24	May 23	May 22	May 19	1 year ago
Government Secs	70.10	70.47	70.39	70.19	70.46	68.93
Fixed Interest	71.99	72.10	71.95	71.97	71.99	69.86
Industrial Ordinary	476.1	477.5	474.0	470.6	468.6	451.8
Gold Mines	162.9	155.8	155.1	155.2	155.3	110.8
Over. Div. Yield...	6.55%	5.62%	5.56%	5.59%	5.62%	5.15%
Earnings Y/(e)(p)(f)	16.32	16.70	16.88	16.98	17.04	17.02
Dealing marked...	5,568	4,479	4,657	4,933	5,240	6,249
Equity turnover £m...	88.52	84.87	86.68	82.46	85.33	70.41
Equity bargains £m...	16,599	15,18	13,314	14,084	15,054	12,500

10 am 473.1 11 am 474.0 12 pm 474.1 1 pm 474.1

2 pm 474.2 3 pm 474.3 4 pm 474.4

5 pm 474.5 6 pm 474.6 7 pm 474.7

8 pm 474.8 9 pm 474.9 10 pm 474.0

* Based on 52 per cent corporation tax. + NI=7.07.

Basic 100 Govt. Secs. 10/10/26. Fixed Int. 10/28. Ind. Ord. 1/7/36. Gold Mines 12/9/55. SE Activity July-Dec 1962.

HIGHS AND LOWS S.E. ACTIVITY

	1978	Since Compil.	May 25	May 25
	High	Low	High	Low
Govt. Secs.	78.06	70.10	117.4	49.18
(b/d)	(265)	(161)	(145)	(134.5)
Fixed Int.	81.27	71.74	180.4	50.70
(b/d)	(226)	(161)	(204.1)	(158.8)
Ind. Ord.	497.5	453.6	549.2	49.4
(b/d)	(526)	(149.7)	(406.4)	(40.3)
Gold Mines	168.6	180.3	442.3	43.5
(b/d)	(226.7)	(20.7)	(171.1)	(35.7)

HIGHS AND LOWS S.E. ACTIVITY

	1978	Since Compil.	May 25	May 25
	High	Low	High	Low
Govt. Secs.	78.06	70.10	117.4	49.18
(b/d)	(265)	(161)	(145)	(134.5)
Fixed Int.	81.27	71.74	180.4	50.70
(b/d)	(226)	(161)	(204.1)	(158.8)
Ind. Ord.	497.5	453.6	549.2	49.4
(b/d)	(526)	(149.7)	(406.4)	(40.3)
Gold Mines	168.6	180.3	442.3	43.5
(b/d)	(226.7)	(20.7)	(171.1)	(35.7)

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the share information section of the Financial Times on May 25, 1978.

NEW HIGHS (100)

AMERICAS (2)

CANADIANS (17)

Place Gas

BEERS (2)

BRITISH (1)

BRITISH AIRWAYS

BRITISH TELECOM

BRITISH TELEVISION

BRITISH AIRWAYS

BRITISH



FT SHARE INFORMATION SERVICE

AMERICANS—Continued

BUILDING INDUSTRY—Cont.

DRAPERY AND STORES—Cont.

ENGINEERING—Continued

1978	High	Low	Stock	Price	+/-	Dir.	Gross	Ctr.	Ytd	PE	1978	High	Low	Stock	Price	+/-	Dir.	Gross	Ctr.	Ytd	PE	1978	High	Low	Stock	Price	+/-	Dir.	Gross	Ctr.	Ytd	PE															
325	204	194	Fluor Corp	304	+1	\$1.20	-	2.2	26	20	Calder Corp	100	23	132	2.87	+1	\$1.20	-	2.2	70	62	Goldberg A	70	44	11	9.2	+0.4	73	61	Deport	75	+2	4.49	11.1	+4.49	11.1	118	87	Grand Met	309	+1	4.25	2.5	5.3	9.1		
254	263	249	Ford Motor	40	-1	\$1.20	-	2.2	40	40	Car-John	44	-2	100	91	-1	\$1.20	-	2.2	67	12	109	Goodman Br	30	12	107	107	-0.2	128	128	128	Kuadra	108	-0.2	1.0	1.0	1.0	1.0	118	108	Kuadra	108	-0.2	1.0	1.0	1.0	1.0
259	261	250	General Elec	100	-1	\$1.20	-	2.2	25	25	Carson Corp	100	-1	100	95	-1	\$1.20	-	2.2	100	146	109	Grand Ctr	100	-2	1.20	1.20	1.20	1.20	118	109	Grand Ctr	100	-2	1.20	1.20	1.20	1.20									
444	297	249	General Elect	100	-1	\$1.20	-	2.2	25	25	Carson Corp	100	-1	100	95	-1	\$1.20	-	2.2	100	146	109	Grand Ctr	100	-2	1.20	1.20	1.20	1.20	118	109	Grand Ctr	100	-2	1.20	1.20	1.20	1.20									
334	154	154	Gillette	50	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
476	26	26	Honeywell	50	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
1978	1978	1978	Hewlett P E	100	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
1978	1978	1978	Hewlett P E	100	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
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1978	1978	1978	Hewlett P E	100	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
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1978	1978	1978	Hewlett P E	100	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
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1978	1978	1978	Hewlett P E	100	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1	114	117	-1	\$1.20	-	2.2	71	21	312	De' A Ord	200	-1	17.43	1.13	4.11	11.1	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20	118	107	Ex Indust	100	+1	1.20	1.20	1.20	1.20
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1978	1978	1978	Hewlett P E	100	-1	\$1.20	-	2.2	25	25	Castan Corp	200	-1</td																																		

